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MESERVEY'S BOOK-KEEPING

SINGLE AND DOUBLE ENTRY

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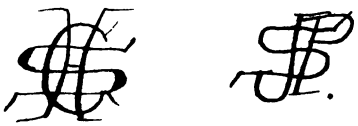

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MESERVEY'S

BOOK-KEEPING,

SINGLE AND DOUBLE ENTRY.

BY

A. B. MESERVEY, PH.D.,

PRINCIPAL OF THE NEW HAMPTON LITERARY INSTITUTION,
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MESERVEY'S TEXT-BOOKS IN BOOK-KEEPING.

Meservey's Book-Keeping, Single and Double Entry.

For High Schools and Academies.

Blanks to accompany the same.

Meservey's Book-Keeping, Single Entry.

For Grammar Schools.

Blanks to accompany the same.

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PREFACE.

NEXT in importance to reading, spelling, arithmetic, grammar, and geography, is book-keeping. Every scholar, before leaving the common or grammar school, should have sufficient knowledge of the art and science of book-keeping, to enable him to record any common business transaction. But almost every attempt to introduce book-keeping into the common school has proved a failure. One reason of this has been the fact, that instructors have not been competent to teach it successfully. This should be remedied by requiring them to pass a rigid examination upon the subject, before receiving a certificate. Another reason of this failure has been the want of a suitable text-book. The author has had many years' experience in teaching book-keeping in common schools, in high schools, and in the commercial department of the institution with which he is now connected; and the following pages are the result of his experience and observation.

The book is easy enough to be comprehended by ordinary scholars, and hard enough to require real study. It is designed to be elementary, but at the same time sufficiently comprehensive for all practical purposes. It commences with examples which are very simple, and advances by easy grades through five forms of single, and six forms of double, entry. The method of questions and answers has been adopted, in the first half of this work, not so much with the design of requiring the student to commit the text *verbatim*, as to illustrate the author's idea of the proper method of teaching the science. The blackboard should be a constant companion of the text-book in teaching book-keeping. The vari-

ous forms should be written on the board, and then the teacher should ask questions, using those in the book as models, until the pupil thoroughly understands the subject. This method has proved eminently successful when employed by a skilful teacher.

In this edition many changes and extensive additions have been made in accordance with the suggestions of teachers who have used the book in the schoolroom, and of business men who have examined it.

Grateful for the numerous commendations which the work has received, the author would express the hope that it may prove even more worthy of approval in its present form.

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ABBREVIATIONS.

@, *at.*
%, *account.*
Acc't, *account.*
Am't, *amount.*
Bal., *balance.*
Bbl., *barrel.*
B. B., *bill-book.*
B. R., *bills receivable.*
Bu., *bushel.*
c, *cents.*
Ch., *choice.*
Cts., *cents.*
C. B., *cash-book.*
Co., *company.*
Cr., *creditor.*
D. B., *day-book.*
Doz., *dozen.*
Dr., *debtor.*
Ds., *days.*
Ex., *extra.*
Ft., *feet.*
Gall., *gallon.*
Gr., *ground.*
Gran., *granulated.*
Hhd., *hogshead.*
I. B., *invoice-book.*
Inst., *present month.*
Int., *interest.*
Inv., *inventory.*
L., *ledger.*
Lbs., *pounds.*
Mdse, *merchandise.*
Mos., *months.*
No., *number.*
Oz., *ounce.*
Prs., *pairs.*
Per, *by.*
%, *per cent.*
Pd., *paid.*
Qt., *quart.*
Rec'd, *received.*
S. B., *sales-book.*
Super, *superfine.*
$, *U. S. currency.*
Vols., *volumes.*
Yds., *yards.*
&, *and.*

PART I.

SINGLE ENTRY.

BOOK-KEEPING.

PART I.

SINGLE ENTRY.

---

1. WHAT is book-keeping?

Book-keeping is the science of accounts, and the art of recording business transactions.

2. What is a business transaction?

A business transaction is an exchange of values.

3. How many parties must there be to a business transaction?

At least two, a debtor and a creditor.

4. Who is the debtor?

The debtor is the person who receives value.

5. Who is the creditor?

The person from whom value is received.

6. What are debits and credits?

Debits are entries against debtors: credits are entries in favor of creditors.

7. What is an account?

An account is the record of one or several business transactions, arranged under some title, so as to show the proper debits and credits.

8. How many methods of book-keeping are there?

Two, — single entry and double entry.

9. What is the distinction between the two methods?

In single entry, an account is kept with only one party to the transaction, either the debtor or creditor: in double entry, an account is kept with both parties.

10. Which method should be learned first?

Single entry; because it is more simple, in more general use, and more practical for ordinary purposes.

11. What is the simplest form of single entry book-keeping?

That in which the ledger only is used.

12. What is a ledger?

A ledger is a book in which the results of business transactions are classified under appropriate titles, and the debits properly separated from the credits.

13. In a ledger of the first form, how many pages are used for an account?

Two.

14. What are placed on the right-hand page?

Credit entries.

15. What are placed on the left-hand page?

Debit entries.

16. What is the first horizontal line in a ledger?

A single blue line.

17. What is the second?

A double red line.

18. What are all the other horizontal lines?

Single blue.

19. What is the first vertical line?

Single red.

20. What is the second vertical line?

Single red.

21. The third?

Double red.

22. The fourth?

Single red.

23. Where should the number of the page be written?

At the upper outside corner.

24. How far from the top?

Far enough to look well.

25. How far from the margin?

As far as from the top.

26. With what kind of ink?

Black.

27. What should be written on the first horizontal line?

The name of the account, and Dr.

28. Where should each be written?

The name of the account should be written in the centre, Dr. over the debit money columns.

29. What kind of ink should be used on the first line?

Black.

30. Which way do spaces extend?

Across the page.

31. Which way do columns extend?

Vertically.

32. What should be written in the first column?

The year and month.

33. Where should they be written?

The year should be written in the upper half of the first space, the month in the lower half.

34. When should either be written again?

When it changes.

35. What should be written in the second column?

The day of the month.

36. What in the third?

A record of transactions producing debits.

37. What in the fourth?

Debit dollars.

38. What in the fifth?

Debit cents.

39. What kind of ink should be used in all these columns?

Black, except for closing entries.

40. How should the credit side of the ledger be ruled?

Like the debit side.

41. What should be written on the first horizontal line?

The name of the account, and Cr. The name should be *centred*, and Cr. should be placed over the credit money columns.

42. What should be written in the first column?

(See answers to questions 32, 33, 34.)

43. What in the second?

(See 35.)

44. What in the third?

Records of transactions producing credits.

45. What in the fourth?

Credit dollars.

46. What is the fifth?

Credit cents.

47. What kind of ink should be used on the credit side?

Black, except the closing entries.

48. When should black ink be used in making entries?

When the entry is made in its proper place.

49. When should red ink be used?

When the entry is made out of its proper place.

50. How should a ledger account be closed?

Add the debit money columns; add the credit money columns; take the less amount from the greater; place the difference on the smaller side with red ink; draw a single red line across the money columns; foot the money columns; draw a double red line across the date and money columns.

51. Why should the difference be entered on the smaller side?

In order to balance the account.

52. Why should the entry be made with red ink?

It is not in its proper place.

53. What shall be done with the red ink balance?

It should be written below the balance lines, on the opposite side of the account, with black ink.

54. When will there be no red ink entry?

When the debit and credit sides are equal.

55. When will the footings of the money columns, and the single red lines, be omitted in balancing an account?

When there is only one amount on each side.

56. By whom should the first form of accounts be used?

By mechanics, farmers, and others who are not doing an extensive business.

FIRST FORM.

The following is a record of part of the business transactions of Lucius S. Gordon, a blacksmith in New Hampton, for the two months commencing Jan. 1, 1875, arranged in the order of their occurrence.

Following this record, is a ledger of the first form, in which all the transactions are arranged under their proper titles, and the debits separated from the credits. The student should provide himself a set of blanks, a good rule, black ink, red ink, black ink pen, red ink pen, ruling pen, pencil, rubber, and blotters.

The learner should carefully observe the following: —

1. Thoroughly understand every transaction before making the entry.
2. Spell every word correctly.
3. Write every word neatly.
4. Make every figure plainly.
5. Draw every line properly.
6. Consult the form whenever there may be uncertainty.

EXAMPLE I.

RECORD OF BUSINESS TRANSACTIONS.

Jan. 1, 1875. — Commenced business this year with cash on hand, $67.42. (Every person, however limited his business, should keep a cash account, in order that he may have an accurate record of his receipts and disbursements, and may know at any time the amount of money on hand. It has been agreed by book-keepers, that money on hand and money received shall be entered on the debit side of cash account; that money paid out shall be entered on the credit side. The above transaction, therefore, should be entered on the Dr. side of cash account.) Shod two horses for J. S. Piper, with new shoes all round, @ $1.75 each, which we have charged him on %. (J. S. P. Dr.)

Jan. 4. — Paid Ward, Humphrey, & Co.'s bill for iron, $47.18. (To be entered on the Cr. side of cash %.) J. S. Piper has this day hauled a load of iron and coal from Bristol, for which we credit him $2.00 on account (J. S. P. Cr.)

Jan. 6. — Mended sleigh for C. D. Thyng, $2,31. (C. D. T. Dr.) Shod oxen for E. C. Lewis, $3.00. (E. C. L. Dr.) Sharpened iron bar for Hon. Dana Woodman, $0.18. Paid cash for beef 78¢. (Cash Cr.)

Jan. 8. — Bought of M. H. Merrow on %, 1 bag meal, $1.76; 10 lbs. granulated sugar, @ 13¢; 2 lbs. raisins, @ 25¢; 1 gal. molasses, 67¢; 1 lb. tea, $1.25; 1 bar soap, 30¢. (M. H. M. Cr.)

Jan. 9. Charged Dana Woodman $3.00 for mending shafting for mill, and 28¢ for mending chains. Shod horse for Wm. Dyer, $1.75. Set two shoes on horse of M. H. Merrow, 30¢. Paid for coal $6.91. (Cash Cr.) Received cash for work this week, $13.47. (Cash Dr.)

Jan. 11. — Shod two horses for J. D. Moore, @ $1.75; mended sleigh, $1.62; made 4 staples, @ 10¢, which we have charged to his %. Bought 1 bbl. flour of M. H. Merrow, $10.75; 10 lbs. lard, @ 14¢; 4½ lbs. cheese, @ 20¢. (M. H. M. Cr.) Paid him $14.00 cash. (M. H. M. Dr., and Cash Cr.)

Jan. 14. — Hon. Dana Woodman has this day hauled me two loads slab wood, @ 75¢; and I have shod his horse, and charged him $1.75. (D. W. Cr. and Dr.)

Jan. 16. — Bought of C. D. Thyng on %, 1 quart oysters, 30¢; ½ bush. apples, 63¢; and charged him for shoeing sled $6.50. (C. D. T. Cr. and Dr.) Bought of Wm. Dyer on %, 32 lbs. old iron, @ 2¢. (W. D. Cr.) Received cash for work this week, $8.42.

Jan. 18. — Hired horse and sleigh of E. C. Lewis to go to Bristol, for which I credit him $1.00. Hon. Dana Woodman has this day paid cash to balance his %. (This should be entered on the Cr. side of Dana Woodman's account, and on the Dr. side of cash account.)

Jan. 19. — Shod horse for E. C. Lewis, $1.75. Made for M. H. Merrow 2 large bolts, @ 75¢, and 12 small bolts, @ 8¢. Paid tax, $13.50. (Cash Cr.)

Jan. 23. — Shod 2 yoke oxen for J. S. Piper, @ $3.00; made for him also 1 sled bridle, $2.00; bolted yoke, 75¢. Received cash for work this week, $7.50.

Jan. 25. — Paid cash for insurance, $8.42. J. D. Moore has paid cash on %, $5.00. Made yoke irons for J. S. Piper, $1.75; and he has hauled me 2 cords green wood, @ $4.00. Fixed

iron dogs for Dana Woodman, 94¢. Set shoes on his sled, $1.87.

Jan. 26. — Set one shoe on horse for E. C. Lewis, 15¢. Mended chain for him, 20¢.

Jan. 28. — Bought of M. H. Merrow on %, 6 yds. print, @ 12½¢; 2 yds. doeskin, @ $1.75; 14 lbs. lard, @ 13¢; 6½ lbs. butter, @ 31¢; 1 lamp, $1.75. Set 2 shoes on ox, 20¢, and mended sleigh, 78¢, for E. C. Lewis. He has paid me cash on %, $5.00.

Jan. 30. — Bought of E. C. Lewis on %, 2 cords dry wood, @ $5.00 per cord. Received cash for work this week, $9.72.

Feb. 1. — Mended staple, 25¢; fixed whippletree, 42¢; mended chain-hook, 19¢, for Wm. Dyer on %.

Feb. 4. — Set shoes on horse for J. D. Moore, 60¢.

Feb. 6. — Made 2 bolts for Dana Woodman, @ 20¢. Received cash for work this week, $18.31.

Feb. 8. — Charged E. C. Lewis for work as follows: shoeing horse, $3.00; bolting yoke, 37¢; repairing staple, 42¢.

Feb. 11. — Bought of Dana Woodman on %, 134 ft. boards, @ 2¢ per foot. Bought of M. H. Merrow on %, 1 box salt 42¢; 1 gal. oil, 28¢.

Feb. 13. — Made pork-hook for M. H. Merrow, 25¢. Received cash for work this week, $7.41.

Feb. 15. — Bought of J. S. Piper on %, 2 bu. potatoes, @ 62¢; 1 bu. turnips, 75¢; ½ ton hay, $9.00; paid him cash, $6.00.

Feb. 17. — Shod horse for Dana Woodman, $1.75.

Feb. 19. — Received of C. D. Thyng, cash to balance %, $7.88.

Feb. 20. — Set shoes on horse for Wm. Dyer, 60¢. Received cash for work this week, $14.06.

Feb. 22. — Received of Wm. Dyer cash on %, $2.00. Paid New Hampton Institute, cash for tuition, $6.00.

Feb. 25. — Made 1 set hinges for Dana Woodman, 75¢.

Feb. 27. — Received cash for work this week, $9.63.

The several accounts are now to be closed with red ink balances, and these are to be brought down on the opposite side with black ink. As the month ends Sunday, the ledger may be closed Saturday, 27th, and the black ink balances should be dated March 1.

The student should thoroughly study this record, trace every transaction to its proper place, and then correctly post it to ledger No. 1.

INDEX TO LEDGER.

The index to the ledger is usually placed in a long, narrow book made specially for the purpose. On the first page are placed all the names in the ledger commencing with A; on the next, all those beginning with B; and so on: but we arrange this as below in order to save space.

NAMES.	PAGE.	NAMES.	PAGE.
A		G	
B		H	
C		I	
Cash,	18		
D		J	
Dyer, William,	24		
E		K	
F		L	
		Lewis, E. C.,	22

NAMES.	PAGE.	NAMES.	PAGE.
M		**T**	
Merrow, M. H.,	24	Thyng, C. D.,	20
Moore, J. D.,	24		
N		**U**	
O		**V**	
P		**W**	
Piper, J. S.,	20	Woodman, Hon. Dana,	22
Q		**X**	
R		**Y**	
S		**Z**	

CASH. *Dr.*

1875.				
Jan.	1	To amount on hand,	67	42
"	9	" rec'd for work this week,	13	47
"	16	" " " " " "	8	42
"	18	" " of Hon. Dana Woodman to bal. %,	3	71
"	23	" " for work this week,	7	50
"	25	" amount rec'd of J. D. Moore on %,	5	00
"	28	" rec'd of E. C. Lewis on %,	5	00
"	30	" " for work this week,	9	72
Feb.	6	" " " " " "	18	31
"	15	" " " " " "	7	41
"	19	" " of C. D. Thyng to balance %,	7	88
"	20	" " for work this week,	14	06
"	22	" " of Wm. Dyer on %,	2	00
"	27	" " for work this week,	9	63
			179	53
Mar.	1	To balance brought down,	76	74

57. What should be entered on the debit side of cash %?

The amount of money on hand at commencing, and all money afterward received.

58. What should be entered on the credit side of cash %?

All money paid out.

59. What is the first step in closing the above cash %?

Add the debit amounts, which we find to be $179.53. This is the total amount of receipts during the two months.

60. What is the second step?

Add the credit amounts, which we find to be $102.79. This is the total amount of disbursements.

61. What is the third step?

Subtract the less amount from the greater, and enter the difference on the credit side with red ink. The difference is $76.74, which is the amount of money on hand.

62. What is the difference sometimes called?

It is called a balance, because it serves to balance the %.

63. Why is it entered with red ink?

Because it is not in its proper place. The credit side of cash % was made for money paid out, and this balance is the amount of money on hand.

CASH. *Cr.*

1875.				
Jan.	4	By paid Ward, Humphrey, & Co.'s bill,	47	18
"	6	" " for beef,		78
"	9	" " for coal,	6	91
"	11	" " M. H. Merrow on %,	14	00
"	19	" paid tax,	13	50
"	25	" " for insurance,	8	42
Feb.	15	" " J. S. Piper on %,	6	00
"	22	" " for tuition to New Hampton Inst.,	6	00
Feb.	27	" balance (amount on hand),	76	74
			179	53

64. Why, then, is it placed on the credit side?

Because we wish to balance the %, and this is the only amount which will balance it.

65. What is the fourth step?

Draw single lines under the figures opposite each other across the money columns.

66. What is the fifth step?

Foot the money columns.

67. What is the sixth step?

Draw double lines across the date and money columns.

68. What is the seventh step?

Bring down the red ink balance on the opposite side, below the balance lines, with black ink to indicate that it is in its proper place.

69. Will this % now stand as before it was balanced?

It is the same; for we have credited the % with $76.74, and we have also debited the same amount. In other words, we have thrown out the amount of the credit side from both sides of the %, and made each $102.79 less than before; leaving $76.74 on the debit side, which is the amount on hand at the beginning of the next month.

J. S. PIPER. *Dr*

1875.					
Jan.	1	To shoeing 2 horses @ $1.75,		3	50
"	23	" " 2 yoke oxen @ $3.00,	$6.00		
"		" 1 sled bridle,	2.00		
"		" bolting yoke,	.75	8	75
"	25	" yoke irons,		1	75
Feb.	15	" cash on %,		6	00
Feb.	27	" balance,			99
				20	99

70. What are accounts with persons sometimes called?
Personal accounts.
71. What is entered on the debit side of this %?
Our account against him, which is $20.00.
72. What is entered on the credit side?
His account against us, which is $20.99.
73. What is the difference?
The amount we owe him, which is 99¢.
74. Where should this be entered?
It should be entered as a balance on the debit side with red ink.

C. D. THYNG. *Dr*

1875.				
Jan.	6	To mending sleigh,	2	31
"	16	" shoeing sled,	6	50
			8	81

78. Why is this account closed with no red ink entry?
Because he paid cash to balance his account, which was entered in the proper place to his credit.

J. S. PIPER. *Cr.*

1875.					
Jan.	4	By hauling iron and coal from Bristol,		2	00
"	25	" 2 cords green wood @ $4.00,		8	00
Feb.	15	" 2 bushels potatoes @ 62 ,	$1.24		
"		" 1 bushel turnips,	.75		
"		" ½ ton hay,	9.00	10	99
				20	99
Mar.	1	Balance brought down,			99

75. Why on the debit side?

Because it is the smaller.

76. Why with red ink?

It is not in its proper place. The debit side of the % was made for our % against him, and this red ink balance is what we owe him.

77. What shall now be done with the red ink balance?

It should be brought down below the balance lines, on the credit side, with black ink, as the balance of his % against us.

C. D. THYNG. *Cr.*

1875.					
Jan.	16	By 1 quart oysters,	.30		
"		" ½ bushel apples,	.63		93
Feb.	19	" cash to balance %,		7	88
				8	81

79. How was this amount ascertained?

By subtracting the sum of the credits from the sum of the debits.

EDWIN C. LEWIS. *Dr.*

1875.					
Jan.	6	To shoeing oxen,		3	00
"	19	" shoeing horse,		1	75
"	26	" setting shoe on horse,	.15		
"		" mending chain,	.20		35
"	28	" setting two shoes on ox,	.20		
"		" mending sleigh,	.78		98
Feb.	8	" shoeing horse,	$3.00		
"	8	" bolting yoke,	.37		
Feb.	27	" repairing staple,	.42	3	79
		To balance,		6	13
				16	00

80. What does a red ink balance on the debit side of a personal account show?

Our indebtedness to the person.

HON. DANA WOODMAN. *Dr.*

1875.					
Jan.	6	To sharpening iron bar,			18
"	9	" mending shafting,	$3.00		
"		" mending chains,	.28	3	28
"	14	" shoeing horse,		1	75
				5	21
Jan.	25	To fixing iron dogs,	.94		
"		" setting shoes on sled,	$1.87	2	81
Feb.	6	" 2 bolts @ 20¢,			40
"	17	" shoeing horse,		1	75
"	25	" 1 set hinges,			75
				5	71
March	1	To balance brought down,		3	03

81. Why was this account balanced Jan. 18?

Because he paid what was then due, and the account was balanced.

EDWIN C. LEWIS. *Cr.*

1875.				
Jan.	18	By horse and sleigh to Bristol,	1	00
"	28	" cash on %,	5	00
"	30	" 2 cords wood (dry), @ $5.00,	10	00
			16	00
March	1	By balance brought down,	6	13

HON. DANA WOODMAN. *Cr.*

1875.				
Jan.	14	By two loads wood @ 75¢,	1	50
"	18	" cash to balance %,	3	71
			5	21
Feb.	11	By 134 feet boards, @ 2¢,	2	68
Feb.	21	By balance,	3	03
			5	71

M. H. MERROW. *Dr.*

1875.					
Jan.	9	To setting 2 shoes on horse,			30
"	11	" cash on %,		14	00
"	19	" making 2 large bolts, @ 75¢,	$1.50		
"		" making 12 small bolts, @ 8¢,	.96	2	40
Feb.	13	" pork hook,			25
Feb.	27	To balance		12	36
				20	37

82. When should the partial amounts be short-extended?
When there are two or more items in the transaction.
83. What is meant by short-extended?
Dropped before the double line.

WILLIAM DYER. *Dr.*

1875.					
Jan.	9	To shoeing horse,		1	75
Feb.	1	" mending staple,	.25		
"		" fixing whippletree,	.42		
"		" mending chain hook,	.19		86
"	20	" setting shoes on horse,			60
				3	21
Mar.	1	To balance brought down,			57

JOSEPH D. MOORE. *Dr.*

1875.					
Jan.	11	To shoeing 2 horses, @ $1.75,	$3.50		
"		" mending sleigh,	1.62		
"		" making 4 staples, @ 10¢,	.40	5	52
Feb.	4	" setting shoes on horse,			60
				6	12
March	1	To balance brought down,		1	12

M. H. MERROW. *Cr.*

1875.					
Jan.	8	By 1 bag meal,	$1.76		
"		" 10 lbs. gran. sugar, @ 13¢,	1.30		
"		" 2 lbs. raisins, @ 25¢,	.50		
"		" 1 gal. molasses,	.67		
"		" 1 lb. tea,	1.25		
"		" 1 bar soap,	.30	5	78
"	11	" 1 bbl. flour,	10.75		
"		" 10 lbs. lard, @ 14¢,	1.40		
"		" 4½ lbs. cheese, @ 20¢	.90	13	05
"	28	" 6 yds. print, @ 12½¢,	.75		
"		" 2 yds. doeskin, @ $1.75,	3.50		
"		" 14 lbs. lard, @ 13¢,	1.82		
"		" 6½ lbs. butter, @ 31¢,	2.02		
"		" 1 lamp,	1.75	9	84
Feb.	11	" 1 box salt,	.42		
"		" 1 gal. oil,	.28		70
				29	37
Mar.	1	By balance brought down,		12	36

84. What is meant by full-extended?

Carrying the footing into the money columns.

WILLIAM DYER. *Cr.*

1875.				
Jan.	16	By 32 lbs. old iron, @ 2¢,		64
Feb.	22	" cash on %,	2	00
Feb.	27	By balance,		57
			3	21

JOSEPH D. MOORE. *Cr.*

1875.				
Jan.	25	By cash on %,	5	00
Feb.	27	By balance,	1	12
			6	12

EXAMPLE II.

Record of some of the business transactions of J. S. Granger, a farmer, for January and February, 1875.

Jan. 1, 1875. — Cash on hand this day, $31.17. (This should be entered on the debit side of cash %.)

Bought of James Graham on %, 1 bbl. flour, $9.75; 42 lbs. granulated sugar, @ 13¢; 2 lbs. raisins, @ 26¢; 1 lb. tea, $1.37; 8 lbs. coffee, @ 44¢. (J. G. Cr.) Paid cash for tax, $19.00. (Cash Cr.)

Jan. 4. — Sold Galon Keene on %, 2 cords dry wood, @ $4.75; and 1 cord green wood, $4.12. (G. K. Dr.)

Jan. 6. — Sold four-year-old colt for $162. (Cash Dr.)

Jan. 9. — Bought of George Allen on %, 1 pr. men's thick boots, $6.75; 2 prs. boy's boots, @ 5.25. (G. A. Cr.)

Jan. 11. — Paid James Graham cash on %, $15.00. (J. G. Dr. and Cash Cr.) John H. Eastman shod our horse, and charged us on %, $1.75, and mended chain, 31¢. (J. H. E. Cr.) We have sold him 1 bbl. apples, $3.50; 4 bu. potatoes, @ 56¢; 16 lbs. butter, @ 30¢. (J. H. E. Dr.)

Jan. 14. — Bought of Charles H. Fogg on %, 12 yds. Merrimac print, @ 12½¢; 17 yds. bleached sheeting, @ 15¢; 4 yds. flannel, @ 50¢. Sold him 1 ton hay, $18.00; ¼ bu. beans, $1.00. (C. H. F. Cr. and Dr.)

Jan. 18. — Sold James Graham on %, 1 cheese, 28 lbs., @ 21¢; 14 bu. potatoes, @ 45¢; 2 bbls. apples, @ $3.50; 6 cabbages, @ 15¢; and bought of him 10 gals. molasses, @ 62¢; 1 box salt, 42¢; ¼ gross matches, 40¢; ¼ lb. nutmegs, 45¢; ¼ lb. gr. pepper, 12¢. (J. G. Dr. and Cr.)

Jan. 20. — John H. Eastman has ironed sled, and charged us on % $7.42. (J. H. E. Cr.)

Paid cash for "Mirror and Farmer" one year, $1.00.

Jan. 23. — Bought of Charles H. Fogg 3 yds. doeskin, @ $1.75; trimmings for pants, $1.10; 1 pr. gloves, 75¢; 1 horse-blanket, $4.25.

Jan. 25. — Paid George Allen cash to balance %, $17.25. (G. A. Dr. and Cash Cr.) Galon Keene hired horse and sleigh of us to go to Belfast, for which we charge him $3.00 on %.

Jan. 28. — Bought of Amos C. Brooks, on %, 1 cooking-stove, $35.50. Sold him 4 cords green wood, @ $4.00; 1 cord dry wood, $5.00.

Jan. 30. — Credited John Adams for one month's work, $30. Sold him on %, 1 ham, 20 lbs., @ 12½¢; 3 doz. eggs, @ 25¢; 1 bbl. apples, $4.25; 1 bu. corn, 92¢; 1 bu. rye, $1.10; and paid him cash to balance, $20.48.

Feb. 1. — Bought of Webster Moody on %, 500 ft. hemlock boards, @ 2½¢ per ft.; 2 thousand No. 1 shingles, @ $3.00; 425 ft. pine boards, @ 3¢ per ft. Sold him one ton hay, $18.00; 20 bu. oats, @ 70¢.

Feb. 4. — Galon Keene has made for me 1 bookcase valued at $20.75, which I credit him on %. Bought of George Allen on %, 2 pr. children's rubber boots, @ $1.75; 1 pr. kid slippers, $2.25. Sold for cash 30 bu. potatoes, @ 45¢.

Feb. 6. — John H. Eastman has shod our oxen, and charged us on % $3.00. Bought of Charles H. Fogg, 18 yds. alpaca, @ 75¢; 6 yds. cambric, @ 12½¢; 1 doz. buttons, 50¢; 1 spool machine silk, 25¢.

Feb. 8. — Bought of Amos C. Brooks, 1 bird-cage, $2.25; 1 coffee-pot, $1.00. Galon Keene hired oxen of me for hauling lumber, for which we charge him on % $2.00.

Feb. 10. — Sold for cash, 1 heifer for $30.00. Paid Dr. Samuel Johnson, cash, $10.75, for medical attendance.

Feb. 13. — Let John Adams have on %, 1 cord dry wood, $4.75; 2 bu. potatoes, @ 62¢; ¼ bu. beans, $1.00; 6 lbs. pork, @ 18¢ Galon Keene has repaired two tables, and charged us on %, $1.75. Charged Webster Moody $2.00 for use of oxen.

Feb. 15. — Sold James Graham on %, 10 lbs. dried apple, @ 12¢; 30 lbs. butter, @ 30¢; 10 doz. eggs, @ 25¢. Bought of him ½ lb. castile soap, 12¢; 1 bu. salt, 90¢; 10 lbs. codfish, @ 8¢; 5 gals. kerosene oil, @ 40¢.

Feb. 16. — Gave John Adams order on James Graham for 1 bbl. flour, $10.25. (J. A. Dr. and J. G. Cr.)

Feb. 18. — John H. Eastman has set shoes on horse for us, 60¢; also mended chain, 20¢, and shovel 15¢, for which he has charged us on %.

Feb. 19. — Paid cash for seed, $5.95. Sold Charles H. Fogg ¼ cord pine wood, $1.00, and paid him $10.50 cash on %. Bought

of him 12 yds. denim, @ 28¢. Galon Keene hired our horse to go to Camden, for which we charge him $3.00 on %.

Feb. 20. — Let John Adams have on %, 10 lbs. lard, @ 22¢; 5 lbs. dried apple, @ 10¢; 1 bu. corn, 92¢.

Feb. 22. — Bought of George Allen on %, 1 pr. ladies' boots, $3.25; 1 pr. rubber overshoes, 75¢.

Feb. 23. — Bought of Webster Moody on %, 134 ft. boards, @ 2¢ per ft., and 1,500 laths, $2.50. Galon Keene has made me 60 sap-buckets, @ 40¢, for which he has charged me on %.

Feb. 25. — Bought of Amos C. Brooks 2 sap-pans, @ $5.00, and paid him cash on %, $10.50. Bought of James Graham 1 lb. tea, $1.37; 20 lbs. wrought-iron nails, @ 3¢; 2 gals. linseed oil, @ $1.00; 5 lbs. raisins, @ 25¢; 10 lbs. rice, @ 10¢.

Feb. 27. — Credited John Adams for one month's work, $30.00. Paid him cash to bal. %, $8.06. Sold George Allen on %, 1 ton hay, $18.00. Sold Webster Moody 9 bu. potatoes, @ 60¢ on %.

This record should be written out in a manner similar to the first example. If correctly entered in the ledger, there will be a cash account, and eight personal accounts. J. S. Granger will have $118.18 cash on hand; he will owe James Graham 72¢, Galon Keene, $24.88, J. H. Eastman $2.89, Charles H. Fogg $5.26, Amos C. Brooks $17.25. George Allen will owe him $8.25, Webster Moody $2.97, and John Adams's % will balance.

SECOND FORM.

85. In the second form of accounts, how many books are used?
The ledger only.

86. How many pages are used for an account?
One.

87. What three things are written on the first blue line?
The name of the account, Dr., and Cr.

88. Where should Dr. be written?
Over the first, or debit money columns.

89. Where should Cr. be written?
Over the second, or credit money columns.

90. How should the date be written?
As in the first form.

91. What should be written in the third column?

The debit and credit items in the order of their occurrence. Each debit entry should commence with "To," and each credit entry with "By."

92. What should be written in the first set of money columns?

Debit amounts.

93. What in the second?

Credit amounts.

94. What kind of ink should be used in a ledger of the second form?

Black, except the closing entries, which should be red.

EXAMPLE III.

Record of some of the business transactions of William S. Conant, who keeps a grocery store in a country village.

March 1, 1875. — William S. Conant has cash on hand amounting to $3,000. (Cash Dr.)

March 2. — Bought of Marshall Wiley for cash his entire stock of groceries and provisions, for which we have paid him $2,834,16. We have also rented his store, and paid him for rent one month in advance, $11.00. Paid for sundry expenses, $13.84.

March 3. — Sold John F. Fuller on %, 1 bbl. flour, $11.25; 1 bu. meal, 96¢; 4 gals. molasses, @ 75¢. Received for cash sales this day, $14.21. (The money received for sales during the day is placed in the money drawer: at night it is counted, and the whole amount entered on the debit side of cash %. See 131.)

March 4. — Sold John Baldwin on %, 14 lbs. gran. sugar, @ 13¢; 6 lbs. raisins, @ 23¢; 8 lbs. pork, @ 15¢. Sold James Y. Haines on %, ½ bu. apples, @ $1.20; 2 bu. potatoes, @ 63¢. Received cash for sales this day, $9.00.

March 5. — Sold Samuel G. Oakes on %, 1 gal. vinegar, 42¢; 1 bbl. apples, $4.25; 100 lbs. codfish, @ 7¢. Bought of Thomas K. Peavey on %, 21 bu. oats, @ 72¢; 61 lbs. butter, @ 30¢; 62 lbs. dried apple, @ 9¢. Paid him cash on %, $20.00. Received cash for sales this day, $14.00.

March 6. — Sold Mrs. H. M. Demons on %, 1 bbl. flour, $9,75; 18 lbs. lard, @ 14¢; ¼ bu. rye meal, 50¢. Received cash for sales this day, $21.50.

March 8. — Sold John F. Fuller on %, 2 doz. eggs, @ 25¢; 8 lbs. cheese, @ 18¢; 1 box salt, 42¢; 8 lbs. cooking sugar, @ 10¢; 1 lb. tea, $1.75; 2 lbs. soda, @ 8¢. Received for sales this day, $17.00.

March 9. — Sold James Y. Haines on %, 6 lbs. butter, @ 35¢; ½ bush. onions, @ $1.50; 4 cabbages, @ 15¢; 3 lbs. honey, @ 35¢. Received cash this day for sales, $13.50.

March 10. — Sold Mrs. H. M. Demons on %, ¼ bu. beans, $1.00; ¼ bu. peas, 50¢; 1 qt. oysters, 50¢; and she has paid cash to balance her %.

March 11. — Paid cash for insurance, $28.00. Bought of John Baldwin on % 1 pr. boots for self, $9.00, and two pr. for boys, @ $5.25. Sold him ¼ lb. gr. pepper, 12¢; ¼ lb. allspice, 16¢; ¼ cinnamon, 20¢; ¼ cloves, 25¢. Received cash for sales this day, $24.00.

March 12. — Received cash for sales this day, $21.00.

March 13. — Bought of Samuel G. Oakes on % ½ ton hay, $9.00. Sold Thomas K. Peavey on % 1 gal. sirup, $1.12. Received for sales this day, $18.00.

March 15. — Sold John F. Fuller on, % 3 lbs. coffee, @ 46¢; 4 doz. eggs, @ 25¢; 8 lbs. maple sugar, @ 24¢. He has made for us one suit of clothes, and charged us on %, $37.00. Cash for the day's sales, $19.00.

March 16. — Cash received for sales this day, $17.50.

March 17. — Sold James Y. Haines on %, 1 chicken, 4 lbs. @ 20¢; 2 lbs. Turkey prunes, @ 15¢; 2 gals. kerosene oil, @ 40¢; 10 lbs. oatmeal, @ 6¢. Paid cash for freight, $7.95. Cash received for sales this day, $21.00.

March 18. — Sold John Baldwin on %, 30 lbs. lard, @ 18¢; ¼ bu. cracked corn, 37¢; 1 box Smyrna figs, 50¢. Sold Samuel G. Oakes on % 30 lbs. gran. sugar, @ 13¢. Received cash for sales this day, $26.00.

March 19. — Received cash for sales, $29.00.

March 20. — Sold Thomas K. Peavey on %, 10 lbs. rice, @ 10¢; 2 oz. indigo, @ 12¢; ½ lb. borax, 32¢. Sold Mrs. H. M. Demons 1 paper silver gloss starch, 20¢; 1 box yeast powder, 25¢; 1 package sea moss farine, 25¢. Paid cash for school-books for boy, $3.95. Received cash for sales this day, $30.00.

March 23. — Sold James Y. Haines on % 4 lbs. cheese, @ 18¢;

15 lbs. coffee sugar, @ 12¢; 1 lb. cream tartar, 60¢; 1 lb. soda, 10¢. Received cash for sales this day, $19.00.

March 24. — Sold Mrs. H. M. Demons on %, 2 lbs. chocolate, @ 37½¢; 1 lb. cocoa, 37¢. Received cash for sales this day, $23.50.

March 27. — Sold Samuel G. Oakes on %, 1 bu. herds-grass seed, $4.00; 20 lbs. clover seed, @ 15¢; 1 bu. red-top, $5.00; 1 cask Rockland lime, $1.50. Bought of him on % 2 cords dry wood, @ $5.00. Received cash for sales this day, $25.50.

March 29. — Sold John F. Fuller on %, 1 gal. gherkins, 75¢; ¼ lb. nutmegs, 42¢. Received cash for sales this day, $24.00.

March 30. — James Y. Haines has paid cash to balance his %, $12.08. Cash received for sales this day, $28.00.

March 31. — Sold Thomas K. Peavey on %, 1 bbl. crackers, $4.50. Paid for sundry expenses, $19.23. Received cash for sales this day, $18.50.

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CASH.

1875.			Dr.		Cr.	
Mar.		To amount on hand,	3000			
"	2	By paid Marshall Wiley for stock goods,			2834	16
"		" " rent of store for one month,			11	00
"		" " for sundry expenses,			13	84
"	3	To rec'd for cash sales this day,	14	21		
"	4	" " " " " "	9	00		
"	5	By paid Thomas K. Peavey on %,			20	00
"		To rec'd for sales this day,	14			
"	6	" " " " " "	21	50		
Mar.	6	By balance, amount on hand,			179	71
			3058	71	3058	71
Mar.	8	To balance from last week,	179	71		
"		" rec'd for sales this day,	17			
"	9	" " " " " "	13	50		
"	10	" " of Mrs. H. M. Demons to bal. %,	14	77		
"	11	By paid for insurance,			28	00
"		To rec'd for sales this day,	24	00		
"	12	" " " " " "	21	00		
"	13	" " " " " "	18	00		
Mar.	13	By balance on hand,			259	98
			287	98	287	98
Mar.	15	To balance from last week,	259	98		
"		" rec'd for sales this day,	19	00		
"	16	" " " " " "	17	50		
"	17	" " " " " "	21			
"		By paid for freight,			7	95
"	18	To rec'd for sales this day,	26			
"	19	" " " " " "	29			
"	20	By paid for school-books,			3	95
"		To rec'd for sales this day,	30			
Mar.	20	By balance on hand,			390	58
			402	48	402	48
Mar.	22	To balance from last week,	390	58		
"	23	" rec'd for sales this day,	19			
"	24	" " " " " "	23	50		
"	27	" " " " " "	25	50		
Mar.	27	By balance on hand,			458	58
			458	58	458	58
Mar.	29	To balance from last week,	458	58		
"		" rec'd for sales this day,	24			
"	30	" " " " " "	28			
"		" rec'd of James Y. Haines to bal. %,	12	08		
"	31	By paid for sundry expenses,			19	23
"		To rec'd for sales this day,	18	50		
Mar.	31	By balance on hand,			521	93
			541	16	541	16
Apr.	1	To balance from last month,	521	93		

JOHN F. FULLER.

1875.				Dr.		Cr.	
Mar.	3	To 1 bbl. flour,	$11.25				
"		" 1 bush. meal,	.96				
"		" 4 gals. molasses @ 75¢,	3.00	15	21		
"	8	" 2 doz. eggs @ 25¢,	.50				
"		" 8 lbs. cheese @ 18¢,	1.44				
"		" 1 box salt,	.42				
"		" 8 lbs. cooking sugar @ 10¢,	.80				
"		" 1 lb. tea,	1.75				
"		" 2 lbs. soda @ 8¢,	.16	5	07		
"	15	" 3 lbs. coffee @ 46¢,	1.38				
"		" 4 doz. eggs @ 25¢,	1.00				
"		" 8 lbs. maple sugar @ 24¢,	1.92	4	30		
"		By 1 suit clothes.				37	
"	29	To 1 gal. gherkins,	.75				
"		" ½ lb. nutmeg,	.42	1	17		
Mar.	31	To balance,		11	25		
				37		37	
Apr.	1	By balance from last month,				11	25

JOHN BALDWIN.

1875.				Dr.		Cr.	
Mar.	4	To 14 lbs. gran. sugar @ 13¢,	$1.82				
"		" 6 lbs. raisins @ 23¢,	1.38				
"		" 8 lbs. pork @ 15¢,	1.20	4	40		
"	11	By 1 pr. boots (for self),	9.00				
"		" 2 prs. boys' boots @ $5.25,	10.50			19	50
"		To ¼ lb. ground pepper,	.12				
"		" ¼ lb. allspice,	.16				
"		" ¼ lb. cinnamon,	.20				
"		" ¼ lb. cloves,	.25		73		
"	18	" 30 lbs. lard @ 18¢,	5.40				
"		" ¼ bush. cracked corn,	.37				
"		" 1 box Smyrna figs,	.50	6	27		
Mar.	31	To balance,		8	10		
				19	50	19	50
Apr.	1	By balance,				8	10

JAMES Y. HAINES.

1875.				Dr.		Cr.	
Mar.	4	To ½ bush. apples,	$0.60				
"		" 2 " potatoes @ 63¢,	1.26	1	86		
"	9	" 6 lbs. butter @ 35¢,	2.10				
"		" ½ bush. onions,	.75				
"		" 4 cabbages @ 15¢,	.60				
"		" 3 lbs. honey @ 35¢,	1.05	4	50		
"	17	" 1 chicken, 4 lbs., @ 20¢,	.80				
"		" 2 lbs. Turkey prunes @ 15¢,	.30				
"		" 2 gals. kerosene oil @ 40¢,	.80				
"		" 10 lbs. oatmeal @ 6¢,	.60	2	50		
"	23	" 4 lbs. cheese @ 18¢,	.72				
"		" 15 lbs. coffee sugar @ 12¢,	1.80				
"		" 1 lb. cream tartar,	.60				
"		" 1 lb. soda,	.10	3	22		
"	30	By cash to balance %,				12	08
				12	08	12	08

MRS. H. M. DEMONS.

1875.				Dr.		Cr.	
Mar.	6	To 1 bbl. flour,	$9.75				
"		" 18 lbs. lard @ 14¢,	2.52				
"		" ¼ bush. rye meal,	.50	12	77		
"	10	" ¼ bush. beans,	1.00				
"		" ½ bush. peas,	.50				
"		" 1 qt. oysters,	.50	2			
"		By cash to balance,				14	77
				14	77	14	77
Mar.	20	To 1 paper silver gloss starch,	.20				
"		" 1 box yeast powder,	.25				
"		" 1 box sea moss farine,	.25		70		
"	24	" 2 lbs. chocolate @ 37½¢,	.75				
"		" 1 lb. cocoa,	.37	1	12		
[illegible]	31	By [illegible]				1	82
				1	82	1	82
Apr.	1	To balance,		1	82		

SAMUEL G. OAKES.

1875.				Dr.		Cr.	
Mar.	5	To 1 gal. vinegar,	$0.42				
"		" 1 bbl. apples,	4.25				
"		" 100 lbs. codfish @ 7¢,	7.00	11	67		
"	13	By ½ ton hay,				9	00
"	18	To 30 lbs. gran. sugar @ 13¢,		3	90		
"	27	" 1 bush. herdsgrass seed,	4.00				
"		" 20 lbs. clover seed @ 15¢,	3.00				
"		" 1 bush. redtop,	5.00				
"		" 1 cask Rockland lime,	1.50	13	50		
"		By 2 cords dry wood @ $5.00,				10	
Mar.	31	By balance,				10	07
				29	07	29	07
Apr.	1	To balance,		10	07		

THOMAS K. PEAVEY.

1875.				Dr.		Cr.	
Mar.	5	By 21 bush. oats @ 72¢,	$15.12				
		" 61 lbs. butter @ 30¢,	18.30				
		" 62 lbs. dried apple @ 9¢,	5.58			39	
		To cash on %,		20			
	13	To 1 gal. sirup,		1	12		
	20	To 10 lbs. rice @ 10¢,	1.00				
		" 2 oz. indigo @ 12¢,	.24				
		" ¼ lb. borax,	.32	1	56		
	31	" 1 bbl. crackers,		4	50		
Mar.	31	To balance,		11	82		
				39		39	
Apr.	1	By balance,				11	82

EXAMPLE IV.

Record of some of the business transactions, for the month of March, 1875, of Augustus Robbins, retail dealer in dry goods.

March 1. — Cash on hand this day, $4,000.00. Bought of Arnold, Deane, & Co., a stock of goods for which we have paid them cash, $3,257.37; and we have paid Anson Davis rent of his store for one month in advance $15.00.

March 2. — Paid sundry expenses, $25.84.

March 3. — Sold David Haskell on %, 18 yds. black alpaca, @ 75¢; 3 yds. cambric, @ 12¢; 6 spools machine cotton, @ 8¢; 12 yds. Lancaster gingham, @ 15¢. Sold George Stevens on %, 7 yds. striped shirting, @ 20¢. Sold William Jones on %, 2 fine dress shirts, @ $2.75.

March 4. — Sold Andrew Bailey 14 yds. sheeting at 14¢, on %.

March 4. — Sold Stephen Wilson on %, 1 doz. linen handkerchiefs, $3.00; 1 pr. gloves, $1.75; 2 prs. woollen hose, @ 50¢. Received cash for sales this day, $9.50.

March 5. — Received cash for sales, $12.00.

March 6. — Bought of George Stevens on %, 2 cords dry wood, @ $5.00. Sold him on %, 7 yds. cassimere, @ $2.00; trimmings for pants and coat, $3.00. Sold William Jones on %, 1 box paper collars, 30¢. Received cash for sales this day, $15.75.

March 8. — Sold David Haskell on %, 2¼ yds. table linen, @ $2.00; 1 yd. Irish linen, 80¢. Sold Erastus Brown on %, 4 wool carriage robes, @ $9.50. Paid cash for freight, $4.75. Received cash for sales this day, $10.70.

March 9. — Hired horse and sleigh of Erastus Brown to go to Westerly, for which he has charged us on %, $2.50. Sold Andrew Bailey on %, 1 cardigan jacket, $2.50; 1 cloth cap, $1.25. Sold Jacob Kelley on %, 14 yds. Cocheco print, @ 12¢; 11 yds. bed-ticking, @ 23¢; 1 doz. agate buttons, 3¢; 1 doz. agate buttons, 8¢. Paid cash for bill of goods, $500.00. Received cash for sales this day, $13.50.

March 10. — Andrew Bailey has repaired show-case for us, and charged us on %, $3.75. Cash received for sales, $19.00.

March 11. — Sold Stephen Wilson on %, 3 yds. drilling, @ 12¢; 3 yds. satinet, @ $1.12; 6½ yds. striped shirting, @ 20¢; 1

pr. suspenders, 50¢. Sold William Jones on %, 1 set sleeve-buttons, 75¢. Cash received for sales this day, $17.50.

March 12. — Sold David Haskell on %, 30 yds. bleached sheeting, @ 15¢; 20 yds. Merrimack print, @ 12¢; 7 yds. navy blue waterproof cloth, @ $1.75. Andrew Bailey has repaired shelves for us, and charged us on % $3.00. Cash received for sales this day, $21.00.

March 13. — Received cash for sales this day, $25.00.

March 15. — Sold Erastus Brown (per wife) on %, 14 yds. cashmere, @ $1.37; 5 yds. cambric, @ 12¢; 1 doz. buttons, 62¢; 1 spool silk, 25¢; 4 yds. ruching, @ 40¢; 6 yds. Hamburg edging, @ 25¢. He has paid cash on %, $25.00.

March 16. — Credited David Haskell for drayage, $5.50. Received cash for sales this day, $9.75.

March 17. — Cash received for sales this day, $11.00.

March 18. — Sold William Jones on %, 3 neckties, @ 62¢. Paid cash for bill of goods, $200.00. Received cash for sales this day, $15.00.

March 19. — Received cash for sales this day, $17.50.

March 20. — Hired horse of Erastus Brown, for which he charges us on %, $3.00. Bought of Andrew Bailey on % 3 chairs for store, @ $1.50. Sold William Jones on %, 1 tooth-brush, 40¢; 1 hair-brush, 62¢; 3 cakes honey soap, @ 15¢; 1 doz. linen handkerchiefs, $3.00. Credited David Haskell for drayage, $4.75. Cash received for sales this day, $30.00.

March 22. — Cash received for sales this day, $8.00.

March 23. — Sold George Stevens on %, 12 yds. tycoon rep, @ 25¢; 23 yds. alpaca braid, @ 8¢. Received cash for sales this day, $13.00.

March 24. — Paid cash for sundry expenses, $17.65. Received cash for sales this day, $12.50.

March 25. — Sold Andrew Bailey on % 4 yds. wool carpeting, @ $1.75. Sold George Stevens on %, 2 wool blankets, @ $3.50; 1 Lancaster bedquilt, $2.00; 7 rolls wall-paper, @ 20¢; 6 curtain tassels, @ 16⅔¢; 6 yds. curtain cord, @ 3¢; 6 yds. bleached sheeting, @ 20¢. He has paid cash on %, $12.00. Received cash for sales this day, $16.50.

March 27. — Received of Erastus Brown on %, $10.00. Received for sales this day, $29.50.

March 29. — Paid for bill of goods, $200.00. Sold Jacob Kelley on %, 7 yds. denim, @ 20¢; 12 yds. crash, @ 18¢; 1 umbrella, $1.25. Received cash for sales this day, $9.00.

March 30. — Received cash for sales this day, $11.50. Credited David Haskell for drayage, $2.00.

March 31. — Received for sales this day, $12.88.

If these transactions are correctly written out according to the foregoing form, there will be $166.47 of cash on hand. There will also be a red ink balance on the Cr. side of all the other accounts, as follows: —

David Haskell	$28.34
George Stevens	14.02
William Jones	12.88
Stephen Wilson	11.27
Andrew Bailey	1.46
Erastus Brown	21.25
Jacob Kelley	9.13

THIRD FORM.

95. How many books are used in the third form?

Three, — day-book, ledger, and cash-book.

96. What is a day-book?

A day-book is the book of original entry, in which business transactions are recorded at the time, in the order, and under the date, of their occurrence.

97. How should a day-book be ruled?

Like the ledger of the first form.

98. What should be written on the first horizontal line?

The name of town, State, month, day, year. The name of the State may be omitted after the first page.

99. What should be written in the first column?

The date, when it changes.

100. What should be written in the second column?

The page of the ledger to which the transaction is posted.

101. When should these page marks be entered?

Immediately after the transaction is posted.

102. Why?

To show that it is posted.

103. With what kind of ink should the page mark be entered?

Red or black; in actual business, usually black.

104. What should be written in the third column?

The record of the transaction.

105. What in the fourth column?

Dollars.

106. What in the fifth column?

Cents.

107. How should the transactions be separated?

By a single line across the third column.

108. What transactions should be recorded in the day-book of this form?

When goods are bought or sold on %, when cash is paid or received on %, and when a note is issued or received on %.

109. What kind of ink should be used in the day-book?

All black, except in the second column.

EXAMPLE V.

Record of part of the business transactions of A. M. True, a retail dealer in books and stationery.

April 5, 1875. — Cash on hand this day, $134.16. Sold Henry J. Turner on %, Appleton's New Cyclopædia, 16 vols., @ $5.00; Addison's Complete Works, $6.00. Paid cash for drayage, $2.50.

April 6. — Sold John M. Flanders on %, 1 geometry, $1.25; 1 grammar, $1.00; 2 spellers, @ 35¢; 4 writing-books, @ 14¢. Received cash for sales this day, $12.00.

April 7. — Paid cash for fixing pump, $3.75. Bought of Richard S. Wood on %, 1 ton hay, $17.00; ½ ton straw, $5.00. Received cash for sales this day, $15.00. Bought of John M. Flanders on %, 4 bushels potatoes, @ 50¢; ½ bushel beans, @ $3.00; 6 lbs. butter, @ 30¢.

April 8. — Sold Solomon Gilman on %, 1 Webster's Dictionary, $12.00. Henry J. Turner has paid us cash on %, $50.00. Paid gas-bill in cash, $13.21. Received cash for sales this day, $18.00.

April 9. — Paid peddler for bill of stationery, $17.09. Sold John M. Flanders on %, 1 quire paper, 20¢; 100 envelopes, 40¢; 2 pencils, @ 5¢. Received cash for sales this day, $11.50.

April 10. — Sold Samuel W. McCall on %, 1 Latin Lexicon,

$5.00; 1 Greek Lexicon, $5.00; 1 Virgil, $2.25; 1 Anabasis, $1.37. Received cash for sales this day, $21.74. Received cash for use of horse and carriage, $2.50.

April 12.— Received an order in favor of John M. Flanders, made by Richard S. Wood, for $7.40, to be paid in merchandise.

Form of the above order.

$7.40. NEW HAMPTON, N. H., April 12, 1875.

Please deliver to John M. Flanders seven $\frac{40}{100}$ dollars' worth of merchandise from your store, and charge the same to the acct. of

RICHARD S. WOOD.

To A. B. MESERVEY.

The above amount should be debited to Richard S. Wood, and credited to John M. Flanders. The merchandise can be delivered when called for, and debited when delivered. (See page 42.)

The footings and proof-sheet in this set differ from former editions, on account of the changes made in the memorandum of April 12.

The transactions of the remainder of the month will be sufficiently well understood by referring to the several books without extending this record any further.

The objection is sometimes made, that book-keepers seldom use red ink in actual business. But it should be remembered that the design of a text-book is to assist the learner in acquiring knowledge, and to aid the teacher in imparting it. No teacher will have any doubt in regard to the advantage of having red ink in a treatise on book-keeping. In the counting-room, where it is presumed that the book-keeper understands thoroughly the theory of accounts, red ink is frequently dispensed with.

DAY-BOOK.

New Hampton, N.H., April 5, 1875.

6

		HENRY J. TURNER, *Dr.*		
	49	To Appleton's Cyclop., 16 vols. @ $5.00,	$80.00	
		" Addison's Works,	6.00	86 00
6		JOHN M. FLANDERS, *Dr.*		
		To 1 geometry,	$1.25	
	49	" 1 grammar,	1.00	
		" 2 spellers @ 35¢,	.70	
		" 4 writing-books @ 14¢,	.56	3 51
		7		
7		RICHARD S. WOOD, *Cr.*		
	49	By 1 ton hay,	$17.00	
		" ½ ton straw,	5.00	22 00
		JOHN M. FLANDERS, *Cr.*		
	49	By 4 bushels potatoes @ 50¢,	$2.00	
		" ½ bushel beans @ $3.00,	1.50	
		" 6 lbs. butter @ 30¢,	1.80	5 30
		8		
8		SOLOMON GILMAN, *Dr.*		
	49	To 1 Webster's Dictionary,		12 00
		HENRY J. TURNER, *Cr.*		
	49	By cash on %,		50 00
9		JOHN M. FLANDERS, *Dr.*		
		To 1 quire paper,	$0.20	
	49	" 100 envelopes,	.40	
		" 2 pencils @ 5¢,	.10	70
10		SAMUEL W. MCCALL, *Dr.*		
		To 1 Latin lexicon,	$5.00	
	50	" 1 Greek lexicon,	5.00	
		" 1 Virgil,	2.25	
		" 1 Anabasis,	1.37	13 62
		Amount forward,		193 13

New Hampton, April 12, 1875.

		Amount brought forward,		193	13
	49	RICHARD S. WOOD, **To order for mdse., favor of John M. Flanders,**	*Dr.*	7	40
13	49	JOHN M. FLANDERS, By amount of above order,	*Cr.*	7	40
	49	RICHARD S. WOOD, To Dickens's Bleak House, 2 vols.,	*Dr.*	3	00
14	49	HENRY J. TURNER, By cash to balance %,	*Cr.*	36	00
15	49	SOLOMON GILMAN, To 1 blank-book,	*Dr.*		30
	49	JOHN M. FLANDERS, By 1 cord maple wood,	*Cr.*	5	00
16	50	SAMUEL W. MCCALL, By cash to bal. %,	*Cr.*	13	62
17	49	RICHARD S. WOOD, To 1 arithmetic, $1.25 " 1 slate, .31	*Dr.*	1	56
19	49	JOHN M. FLANDERS, To 19 yds. border @ 5¢, .95 " 1 blank-book, .19	*Dr.*	1	14
20	50	SAMUEL W. MCCALL, To 4 quires paper @ 15¢, $0.60 " 1 Roget's Thesaurus, 2.00	*Dr.*	2	60
		Amount forward,		271	15

New Hampton, April 21, 1875.

		Amount brought forward,	271	15
		SOLOMON GILMAN, *Cr.*		
	49	By cash on %,	10	00
22	49	JOHN M. FLANDERS, *Cr.*		
		By 2 cords pine wood @ $3.00,	6	00
	50	JACKSON PEAVEY, *Cr.*		
		By shoeing horse,	1	75
24		SAMUEL W. MCCALL, *Dr.*		
	50	To 1 Bowen's Logic,	2	00
		JACKSON PEAVEY, *Dr.*		
	50	To 10 rolls paper @ 25¢,	2	50
26		JOHN M. FLANDERS, *Dr.*		
	49	To 1 nat. philosophy,	1	20
28		SOLOMON GILMAN, *Cr.*		
	49	By cash to bal. %,	2	30
		RICHARD S. WOOD, *Dr.*		
	49	To cash to bal. %,	10	04
29		SAMUEL W. MCCALL, *Dr.*		
		To 1 Shakspeare,	4	25
	50	CONTRA, *Cr.*		
		By cash to balance %,	8	85
		Total footing,	320	04

CASH-BOOK.

110. What is the second book in the third form of accounts?

The cash-book.

111. What is a cash-book?

A book in which the proprietor keeps an account of money received, and money paid out.

112. How is the cash-book ruled?

Like the ledger of the second form.

113. How many pages are used?

Two.

114. What is written on the first horizontal line of the left-hand page?

Cash (received) and Dr.

115. What in the first column?

The year and month as in a ledger.

116. What in the second column?

The day of the month.

117. What in the third?

Record of transactions producing debit entries.

118. What in the fourth and fifth columns?

Money received.

119. What in the sixth and seventh columns?

Balances, full extensions, and footings.

120. What are balances?

Amounts on hand brought down from the opposite side.

121. What are full extensions?

Footings of the first set of money columns, representing the amount of money received.

122. What are footings?

The sum of the balances and full extentions.

123. What should be written on the first horizontal line of the right-hand page?

Cash (Paid) and Cr.

124. What in the first column?

Year and month.

125. What in the second column?

Day of the month.

126. What in the third column?

Record of transactions producing credit entries.

127. What in the fourth and fifth columns?

Amounts of money *paid out*.

128. What in the sixth and seventh columns?

Full extensions, red ink balances, and footings.

129. How should the cash-book be balanced?

As the cash account was balanced in the ledger of the first form.

130. How often should the cash-book be balanced?

Once a day, once a week, or once a month. Usually the petty cash-book is balanced every night, and the main cash-book once a week, or once a month.

131. What is a petty cash-book?

In retail business, where many articles are bought and sold for cash, it is customary to enter the several amounts in a small book called a petty cash-book. This is balanced at the close of the day's business; the items are condensed and entered in the general cash-book; and the money in the drawer is counted, and should agree with the balance of the petty cash-book. If payments are made from the *counted* money, the entry should be made in the general cash-book *only*.

CASH (Received). *Dr.*

1875.						
Apr.	5	To amount on hand,	134	16		
"	6	" cash sales this day,	12	00		
"	7	" " " " "	15	00		
"	8	" rec'd of Henry J. Turner on %,	50	00		
"		" " for sales this day,	18	00		
"	9	" " " " " "	11	50		
"	10	" " " horse and carriage,	2	50		
"		" " " sales this day,	21	75	264	91
					264	91
Apr.	12	To balance from last week,			228	36
"		" rec'd for sales this day,	13	50		
"	13	" " " " " "	18	00		
"	14	" " of Henry Turner to bal. %,	36	00		
"		" " for sales this day,	7	00		
"	15	" " " " " "	19	50		
"	16	" " of S. W. McCall to bal. %,	13	62		
"		" " for sales this day,	14	50		
"	17	" " " " " "	27	10	149	22
					377	58
Apr.	19	To balance from last week,			195	01
"		" rec'd for sales this day,	14	00		
"	20	" " " " " "	13	00		
"	21	" " of Solomon Gilman on %,	10	00		
"		" " for sales this day,	17	50		
"	22	" " " " " "	7	25		
"	23	" " " " " "	11	75		
"	24	" " " " " "	28	50	102	00
					297	01
Apr.	26	To balance from last week,			260	90
"		" rec'd for sales this day,	18	75		
"	27	" " " " " "	17	00		
"	28	" " of Solomon Gilman to bal. %,	2	30		
"		" " for sales this day,	14	00		
"	29	" " " " " "	19	00		
"		" " of S. W. McCall to bal. %,	8	85		
"	30	" " for sales this day,	28	00	107	90
					368	80
May	1	To balance from last month,			317	76

CASH (Paid). *Cr.*

1875.						
Apr.	5	By paid for drayage,	2	50		
"	7	" " " fixing pump,	3	75		
"	8	" " gas bill,	13	21		
"	9	" " for stationery,	17	09	36	55
Apr.	10	By amount on hand,			228	36
					264	91
Apr.	13	By paid for repairing store,	6	33		
"	15	" " " bill of goods of Desser & Ayer,	176	24	182	57
Apr.	17	By amount on hand,			195	01
					377	58
Apr.	20	By paid for painting,	9	00		
	23	" " " printing circulars,	10	00		
"		" " " papering chambers,	4	75		
		" " " meat bill,	12	36	36	11
Apr.	24	By balance on hand,			260	90
					297	01
Apr.	26	By paid insurance,	14	00		
"	28	" " Richard S. Wood to bal. %,	10	04		
"	29	" " clerk hire,	27	00	51	04
Apr.	30	By balance on hand,			317	76
					368	80

LEDGER.

132. What is a ledger? (See 12.)

133. What is the difference between a ledger of the first or second forms, and a ledger of the third form?

In the first and second forms the transactions are entered *only* in the ledger. In the third form they are entered in the day-book first, and then the results are carried to the ledger.

134. In the third form, how many pages are used for an account?

One.

135. How is the debit side separated from the credit?

By a double blue vertical line in the centre.

136. What is written on the first horizontal line?

Dr., the name of the account, and Cr.

137. Where should each be written?

Dr. over the debit date columns, Cr. over the credit money columns, and the name in the centre of the page.

138. What should be written in the first column?

The year and month, taken from the heading, or the first column of the day-book.

139. What should be written in the second column?

Day.

140. What in the third column?

"To" the article when there is but one; "To" sundries when there are several articles.

141. What in the fourth column?

The page of the day-book where the record of the transaction may be found.

142. What in the fifth and sixth columns?

The debit amounts.

143. What change is made in the credit side?

"By" takes the place of "To" in the third column, and the credit amounts are placed in the money columns.

144. What % should be placed first in the ledger?

The first account in the day-book, and so on in their order. In actual business only one account should be placed on a page.

Dr. HENRY J. TURNER. *Cr.*

1875.					1875.				
Apr. 5	To sundries,	41	86		Apr. 8	By cash,	41	50	
					" 14	" " to bal.	42	36	
			86					86	

Dr. JOHN M. FLANDERS. *Cr.*

1875.					1875.				
Apr. 6	To sundries,	41	3	51	Apr. 7	By sundries,	41	5	30
" 9	" "	41		70	" 13	" order,	42	7	40
" 19	" "	42	1	14	" 15	" wood,	42	5	00
" 26	" philosophy,	43	1	20	" 22	" "	43	6	00
Apr. 30	To balance,		17	15					
			23	70				23	70
					May 1	By balance,		17	15

Dr. RICHARD S. WOOD. *Cr.*

1875.					1875.				
Apr. 12	To order,	42	7	40	Apr. 7	By sundries,	41	22	
" 13	" Bleak House,	42	3	00					
" 17	" sundries,	42	1	56					
" 28	" cash to bal.,	43	10	04					
			22	00				22	00

Dr. SOLOMON GILMAN. *Cr*

1875.					1875.				
Apr. 8	To dictionary,	41	12	00	Apr. 21	By cash,	43	10	00
" 15	" blank book,	42		30	" 28	" cash to bal.,	43	2	30
			12	30				12	30

Dr. SAMUEL W. McCALL. *Cr.*

1875.					1875.				
Apr. 10	To sundries,	41	13	62	Apr. 16	By cash to bal.	42	13	62
Apr. 20	To sundries,	42	2	60	Apr. 29	By cash, to bal.	43	8	85
" 24	" Bowen's Logic,	43	2	00					
" 29	" Shakspeare,	43	4	25					
			8	85				8	85

Dr. JACKSON PEAVEY. *Cr.*

1875.					1875.				
Apr. 24	To 10 rolls paper,	43	2	50	Apr. 22	By shoeing horse,	43	1	75
					Apr. 30	By balance,			75
			2	50				2	50
May 1	To balance,			75					

As one form of index has been inserted in the first form, and another in the second form, we omit the index in this form.

PROOF OF THE POSTING.

DR.		CR.
$86.00	Henry J. Turner	$86.00
6.55	John M. Flanders	23.70
22.00	Richard S. Wood	22.00
12.30	Solomon Gilman	12.30
13.62	Samuel W. McCall	13.62
8.85	Samuel W. McCall	8.85
2.50	Jackson Peavey	1.75
$151.82		$168.22

$151.82 Total debits.
$168.22 Total credits.

$320.04 Total debits and credits equal the total footing of the daybook.

145. What is the proof of the posting?

The sum of the debit and credit footings of the several ledger accounts will equal the total footings of the money columns of the day-book, if the posting is correct.

146. Why?

Because all the debit amounts from the day-book are carried to the debit side of the ledger, and all the credit amounts to the credit side of the ledger; hence the sum of the footings of the debit and credit sides of the accounts must equal the footing of the day-book. If this sum should be less than the footing of the day-book, it will indicate that something has been omitted in posting. If it should be more, it will indicate that some item has been posted twice, or that some other mistake has been made. In either of these cases the work should be reviewed until the results correspond.

147. When should the proof-sheet be made?

As soon as the posting of the month's work is finished, before any red ink entries are made in the ledger.

148. Why is Samuel W. McCall's name entered twice in the proof-sheet?

Because his % was balanced April 16, and opened again; hence both sets of footings must be entered in the proof-sheet in order to agree with the footing of the day-book.

As the opening and closing of a set of books are the most difficult parts of book-keeping, it is thought best that the learner should close the ledger at the end of each month. But in actual business this is seldom done. Every prudent business man will, however, close his books at least twice a year.

EXAMPLE VI.

A record of part of the business transactions of James Elwell, maker of, and dealer in boots and shoes, for the month of April, 1875.

April 5, 1875. — Amount of cash on hand, $187.62. Bought of Muzzy, Whitehouse, & Co., for cash, 40 lbs. sole-leather, @ 45¢. Sold Fred Williams on %, 1 pr. calf boots, $8.00; 1 pr. carpet slippers, $1.75; 1 pr. arctics, $2.50. Cash received for sales this day, $12.00.

April 6. — Paid J. Jackson & Co., cash for bill of goods, $97.00. Sold Sewell Titus on %, 2 pr. boy's boots, @ $5.00. Sold George Pease on %, 1 pr. ladies' glove-kid boots, $4.75; and 1 pr. kid slippers, $1.75. Received cash for sales, $10.75.

April 7. — Bought of Fred Williams on %, 1 bottle Vinegar Bitters, $1.00; 4 bars soap, @ 15¢. Cash received for sales, $15.00.

April 8. — Sold Francis G. Fowler on %, 1 pr. rubber boots, $4.00; 1 pr. children's boots, $2.25. Mended boots for Willard Sprowl, and charged him on %, $1.37. Paid cash for freight, $3.50. Received cash for sales this day, $17.00.

April 9. — Mended boots for Sewell Titus, and charged him on %, 25¢. Bought of him on %, 30 lbs. butter, @ 35¢; 6 doz. eggs, @ 20¢. Received cash for sales this day, $13.50.

April 10. — Sold Samuel T. Bennett on %, 1 pr. men's boots, $6.00; 2 pr. boy's boots, @ 5.00; 2 pr. ladies' serge boots, @ $2.75; 3 pr. children's serge boots, @ $1.75. Mended boots for George Pease, and charged him on %, 45¢. Paid cash for bill goods, $59.67. Received cash for sales this day, $25.00.

April 12. — Bought of Joseph Hanson on %, 1 bbl. flour, $10.75. Paid Mrs. O'Brian cash for cleaning store, $3.75. Received cash for sales, $11.50.

April 13. — Bought of Fred Williams on %, 3 bottles porter, @ 50¢; 1 bottle ink, 10¢. Sold Sewell Titus on % 1 pr. brogans, $2.00. Sold Francis G. Fowler on % 1 pr. ladies' serge slippers, $1.00. Mended shoes for Willard Sprowl, and charged him on %, 20¢. George Pease has paid cash on %, $5.00. Cash received for sales this day, $15.75.

April 14. — Cash received for sales this day, $18.50.

April 15. — Cash received for sales this day, $23.00.

April 16. — Sold Joseph Hanson on %, 1 pr. rubbers, 87¢; 1 pr. ladies' bronze kid boots, $9.00; 1 pr. children's slippers, $1.25; 1 pr. infant's shoes, $1.00. Bought of Sewell Titus on %, 1 bu. potatoes, 62¢; 4 lbs. veal, @ 15¢. Sold Fred Williams on % 1 pr. rubbers, $1.00. Paid cash for stock, $56.40. Received cash for sales this day, $20.75.

April 17. — Sold Willard Sprowl on %, 1 pr. children's copper-toed shoes, $1.25; 1 pr. boy's boots, $4.75; 1 pr. ladies' congress boots, $2.00; 1 pr. brogans, $2.00. Francis G. Fowler has paid cash to balance his %, $7.25. Received cash for sales, $29.75.

April 19. — Sold George Pease on %, 1 pr. kip boots, $7.25. Sold Samuel T. Bennett on %, 3 pr. children's rubbers, @ 62¢; 1 pr. ladies' rubbers, @ 75¢. Paid cash for sawing wood, $3.25. Received cash for sales this day, $14.75.

April 20. — Sold Fred Williams on %, 1 pr. congress gaiters, $3.25. Sold Sewell Titus on %, 2 pr. boy's calf boots, @ $7.00. Bought of him 2 chickens, 8 lbs., @ 20¢. Sold Francis G. Fowler on %, 1 pr. children's bronze kid boots, $2.75. Paid cash for sundries, $2.91. Received cash for sales this day, $17.50.

April 21. — Received cash for sales this day, $21.50.

April 22. — Bought of Joseph Hanson on %, 30 lbs. gran. sugar, @ 14¢; 5 lbs. coffee, @ 42¢. Sold Samuel T. Bennett on %, 1 shawl-strap, 62¢. Willard Sprowl has paid cash on %, $5.00. Received for cash sales this day, $25.75.

April 23. — Bought of Fred Williams on %, ¼ ream paper, 50¢. Sold Francis G. Fowler on %, 1 pr. children's rubbers, 62¢. Received of Samuel T. Bennett cash on %, $20.00. Received for cash sales this day, $19.25.

April 24. — Sold Joseph Hanson on %, 1 pr. calf boots, $8.00. Sold George Pease 1 pr. cloth gaiters, $3.25. Paid cash for stock, $19.31. Sewell Titus has paid cash on %, $10. Received cash for sales this day, $27.00.

April 26. — Soled 1 pr. slippers for Fred Williams, and charged him on %, $1.50. Paid cash for horse-hire, $3.25. Received for cash sales this day, $16.50.

April 27. — Bought of Sewell Titus on %, ¼ bu. beets, 33¢; ¼ bu. beans, $1.00; 2 doz. eggs, @ 20¢. Sold Joseph Hanson

on %, 1 pr. ladies' sergé boots, $3.25. Received cash for sales this day, $19.00.

April 28. — Received cash for sales this day, $21.00.

April 29. — Fred Williams paid cash on %, $10.00. Mended shoes for Francis G. Fowler, and charged him on %, 37¢. Received cash for sales, $23.75.

April 30. — Bought of Joseph Hanson on %, 20 lbs. lard, @ 15¢; ¼ box raisins, $1.25; 1 lb. tea, $1.25. Willard Sprowl has paid cash to balance %, $6.57. Paid clerk's salary, $30.00. Received cash for sales this day, $15.75.

PROOF-SHEET.

Dr.		Cr.
$18.00	Fred Williams	$13.70
26.25	Sewell Titus	26.25
17.45	George Pease	5.00
7.25	Francis G. Fowler	7.25
3.74	Francis G. Fowler	0.00
11.57	Willard Sprowl	11.57
29.98	Samuel T. Bennett	20.00
23.37	Joseph Hanson	22.55
$137.61		$106.32

$137.61 Total debits.
106.32 Total credits.
$243.93 Equal the footing of day-book.

Cash on hand May 1. $388.65.

FOURTH FORM.

149. What is meant by partnership business?

When two or more persons unite their property and interest in the prosecution of a certain kind of business, to be carried on under a firm name, on joint account and risk, such business is called partnership business.

150. With what should each partner be credited?

With his investment, and his part of the net gain.

151. With what should each partner be debited?

With all debts assumed by the firm for him, with all money or other species of property withdrawn from the firm, and with his part of the net loss.

152. When should the net loss or gain be carried to the partner's account?

When the books are closed.

153. How often should the books be closed?

This depends upon the nature of the business. Sometimes the books are closed once a month, sometimes once in six months, sometimes only once a year.

154. How many books are employed in this form?

The same number as in the last, — day-book, cash-book, and ledger.

In the following example, James L. Davis and J. O. Hancock form a partnership under the firm name of "Davis & Hancock," for the purpose of engaging in the retail business in a variety store in a large village.

James L. Davis invests $3,000 cash, and his store and fixtures valued at $6,000. J. O. Hancock invests his stock of goods at 90 per cent on the first cost, $7,334, and cash enough to equal the investment of the other partner, $1,666. Each partner is now credited with his investment in the day-book, and the cash invested by each is entered on the debit side of the cash-book. The remainder of the transactions can probably be understood by referring to the several books without the record of transactions.

EXAMPLE VII.

New Hampton, N.H., May 3, 1875.

	63	JAMES L. DAVIS,	*Cr.*		
		By cash invested,	$3,000		
		" store and fixtures invested,	6,000	9,000	00
	63	J. O. HANCOCK,	*Cr.*		
		By mdse. invested	$7,334		
		" cash "	1,666	9,000	00
4		HENRY H. SAWTELLE,	*Dr.*		
	63	To 1 bbl. flour,	$9.75		
		" 8 bush. meal @ 90¢,	7.20		
		" 1 bbl. gran. sugar (190 lbs.) @ 11¢,	20.90	37	85
5		BENJ. B. WEBB,	*Dr.*		
		To 16 yds. Merrimac print @ 12½¢,	$2.00		
		" 12 " Amoskeag " @ 10¢,	1.20		
	63	" 19 " Lancaster gingham @ 14¢,	2.66		
		" 33 " Lawrence 4-4 sheeting @ 14¢,	4.62		
		" 11 " cotton flannel @ 18¢,	1.98	12	46
		GEORGE W. HOWE,	*Dr.*		
		To 1 bbl. super-phosphate lime,	$2.75		
	63	" 28 gals. molasses @ 62¢,	17.36		
		" 10 papers garden-seeds @ 4¢,	.40		
		" 1 shovel,	1.25	21	76
6		LIVINGSTON MUZZY,	*Dr.*		
		To 4 bush. potatoes @ 60¢,	$2.40		
		" 1 bbl. flour (St. Louis),	12.25		
		" 1 bush. meal,	.90		
		" 18 lbs. gran. sugar @ 12¢,	2.16		
	64	" 14 " cooking sugar @ 10¢,	1.40		
		" 3 " Java coffee @ 42¢,	1.26		
		" 1 lb. tea,	1.20		
		" 14 lbs. codfish @ 8¢,	1.12	22	09
8		MOSES T. WOODWARD,	*Dr.*		
		To 10 bbls. flour @ $9.00,	$90.00		
	64	" 20 bush. corn. @ 75¢,	15.00		
		" 20 bush. meal @ 82¢,	16.40	121	40
		(To be paid in 10 days.)			
				18,216	16

New Hampton, May 10, 1875.

		Amount forward,	18,216	16
		HENRY H. SAWTELLE, *Dr.*		
	63	To 1 bbl. pork, $21.00		
		" 100 lbs. lard @ 13¢, 13.00		
		" 4 gals. boiled oil @ $1.10, 4.40		
		" 100 lbs. Salem lead @ 13¢, 13.00		
		" 1 paint-brush, .75	52	15
		JAMES L. DAVIS, *Dr.*		
	63	To cash on private %,	16	00
		GEORGE W. HOWE, *Dr.*		
	63	To 3 bush. salt @ 70¢, $2.10		
		" 30 lbs. clover-seed @ 15¢, 4.50		
		" 3 bush. timothy seed @ $4.00, 12.00	18	60
12		HENRY H. SAWTELLE, *Cr.*		
	65	By cash on %,	60	00
		J. O. HANCOCK, *Dr.*		
	63	To 1 bbl. flour, $11.75		
		" 4 doz. eggs @ 20¢, .80		
		" cash, 13.50	26	05
14		BENJ. B. WEBB, *Dr.*		
	63	To 1 gal. kerosene oil, .30		
		" 1 box raisins, 3.50		
		" 2 gals. sirup @ $1.12, 2.24	6	04
15	63	GEO. W. HOWE, *Dr.*		
		To 1 cask plaster Paris,	3	60
	63	BENJ. B. WEBB, *Cr.*		
		By cash on %,	10	00
	63	JAMES L. DAVIS, *Dr.*		
		To paid taxes for him,	28	00
			18,436	60

New Hampton, May 17, 1875.

		Amount forward,		18,436	60
		GEO. W. HOWE,	*Dr.*		
	63	To 3 yds. doeskin @ $2.00,	$6.00		
		" 2 lbs. soda @ 8¢,	.16	6	16
18		MOSES T. WOODWARD,	*Cr.*		
	64	By cash on %,		121	40
19		GEO. W. HOWE,	*Cr.*		
	63	By cash on %,		40	00
21		LIVINGSTON MUZZY,	*Dr.*		
		To 8 yds. crash @ 20¢,	$1.60		
	64	" 1 table-cover,	4.20	5	80
		CONTRA,	*Cr.*		
		By cash on %,		20	00
24		MOSES T. WOODWARD,	*Dr.*		
	64	To 1 bbl. pork,	$21.00		
		" 40 gals. molasses @ 62¢,	24.80	45	80
		GEO. W. HOWE,	*Cr.*		
	63	By cash to balance %,		10	12
		J. O. HANCOCK,	*Dr.*		
	63	To cash,		15	00
26		MOSES T. WOODWARD,	*Dr.*		
	64	To 4 gals. linseed oil @ $1.00,	$4.00		
		" 25 lbs. Salem lead @ 13¢,	3.25	7	25
28		HENRY H. SAWTELLE,	*Dr.*		
		To 50 lbs dried apple @ 12¢,	$6.00		
	63	" 1 clothes-line,	.42	6	42
		CONTRA,	*Cr.*		
		By cash on %,		8	00
29	64	MOSES T. WOODWARD,	*Dr.*		
		To 4 casks Rockland lime @ $1.50,		6	00
		Total footing before the gain is credited to the partners,		18,728	55

New Hampton, May 31, 1875.

		Amount forward,	18,728	55
31	63	JAMES L. DAVIS, *Cr.* By one-half net gain for the month,	204	31
	63	J. O. HANCOCK, *Cr.* By one-half net gain for the month,	204	31
		Total footing after gain is entered.	19,137	17

CASH (Received). *Dr.*

1875.						
May	3	To James L. Davis's investment,	3,000			
"		" J. O. Hancock's "	1,666			
"	4	" cash sales this day,	16			
"	5	" " " " "	28			
"	6	" rec'd for old iron sold,	14	28		
"		" " " sales this day,	33	00		
"	7	" " " " " "	28	50		
"	8	" " " " " "	39	00	4,824	78
					4,824	78
May	10	To balance from last week,			608	11
"		" rec'd for sales this day,	31	00		
"	11	" " " " " "	27	00		
"	12	" " of H. H. Sawtelle on %,	60	00		
"		" " for sales this day,	29	00		
"	13	" " " " " "	32	00		
"	14	" " " " " "	41	00		
"	15	" " of B.B. Webb on %,	10	00		
"		" " for sales,	34	00	264	00
					872	11
May	17	To balance from last week,			775	86
"		" sales this day,	28	00		
"	18	" rec'd of M. T. Woodward on %,	121	40		
"		" " for sales this day,	36	00		
"	19	" " " " " "	31	00		
"		" " of Geo. W. Howe on %,	40	00		
"	20	" " for sales this day,	14	00		
"	21	" " of L. Muzzy on %,	20	00		
"		" " for sales this day,	28	00		
"	22	" " " " " "	42	00	360	40
					1,136	26
May	24	To balance from last week,			566	65
"		" cash sales this day,	18	00		
"		" rec'd from Geo. W. Howe on %,	10	12		
"	25	" " for sales this day,	39	00		
"	26	" " " " " "	42	00		
"	27	" " " " " "	47	00		
"	28	" " of H. H. Sawtelle on %,	8	00		
"	29	" " for sales this day,	51	00	215	12
					781	77
May	31	To balance from last week,			724	77

CASH (Paid). *Cr.*

1875.						
May	4	By paid for carpenters for repairing,	6	25		
"		" " " lumber " "	2	87		
"	6	" amount paid J. L. Davis for merchandise bought in Boston as per bills receipted and his expenses,	4168	37		
"	8	By paid for drayage,	7	00		
"		" " freight bill,	32	18	4216	67
May	8	By amount on hand,			608	11
					4824	78
May	10	By paid J. L. Davis on private %,	16	00		
"	12	" " for confectionery,	11	75		
"		" " " pocket cutlery of peddler,	27	00		
"		" " J. O. Hancock on private %,	13	50		
"	15	" " taxes for James L. Davis,	28	00	96	25
May	15	By amount on hand,			775	86
					872	11
May	19	By p'd bill mdse. b't of Johnson & Hicks,	561	00		
"		" " for freight and drayage,	8	61	569	61
May	22	By balance on hand,			566	65
					1136	26
May	24	By paid J. O. Hancock,	15	00		
"	28	" " for wood,	8	00		
"	29	" " " clerk hire,	34	00	57	00
May	29	By balance on hand,			724	77
					781	77

LEDGER.

The partners' accounts should be opened first in the ledger. They should be kept in the same manner as other accounts, and should be closed with red ink balances after the gain or loss has been posted to the proper side of the account. Most merchants have a separate account, called a private account, in which all the items of a partner are entered during the month; and, when the ledger is closed, the private account is closed into the partner's account. In this form we have thought best not to make use of the private account.

INVENTORIES.

In actual business there would be an inventory of merchandise invested by J. O. Hancock, and also one of the merchandise remaining in the store at the close. The amount of these would be ascertained by taking an account of stock remaining unsold at the time, usually at cost.

We have given a form for an inventory in the IX. Example; but where no inventory is given, the amount is assumed without any regard to purchases or sales. The amount of merchandise in the balance account cannot be ascertained from any data in the text-book.

Dr. JAMES L. DAVIS. *Cr.*

1875.					1875.				
May 10	To cash,	57	16	00	May 3	By investment,	56	9,000	
" 15	" "	57	28	00	" 31	" net gain,	57	204	31
May 31	To balance,		9,160	31					
			9,204	31				9,204	31
					June 1	By balance,		9,160	31

Dr. J. O. HANCOCK. *Cr.*

1875.					1875.				
May 12	To sundries,	57	26	05	May 3	By investment,	56	9,000	
" 24	" cash,	58	15	00	" 31	" net gain,	57	204	31
May 31	To balance,		9,163	26					
			9,204	31				9,204	31
					June 1	By balance,		9,163	26

Dr. HENRY H. SAWTELLE. *Cr.*

1875.					1875.				
May 4	To mdse.,	56	37	85	May 12	By cash,	57	60	00
" 10	" "	57	52	15	" 28	" "	58	8	00
" 28	" "	58	6	42	May 31	By balance,		28	42
			96	42				96	42
June 1	To balance,		28	42					

Dr. BENJ B. WEBB. *Cr.*

1875.					1875.				
May 5	To mdse.,	56	12	46	May 15	By cash,	57	10	00
" 14	" "	57	6	04	May 31	By balance,		8	50
			18	50				18	50
June 1	To balance,		8	50					

Dr. GEO. W. HOWE. *Cr.*

1875.					1875.				
May 5	To mdse.,	56	21	76	May 19	By cash,	58	40	00
" 10	" "	57	18	60	" 24	" " to bal.,	58	10	12
" 15	" plaster,	57	3	60					
" 17	" mdse.,	58	6	16					
			50	12				50	12

Dr. LIVINGSTON MUZZY. *Cr.*

1875.					1875.				
May 6	To mdse.	56	22	69	May 21	By cash,	58	20	00
" 21	" "	58	5	80	May 31	By balance,		8	49
			28	49				28	49
June 1	To balance,		8	49					

Dr. MOSES T. WOODWARD. *Cr*

1875.					1875.				
May 8	To mdse.	56	121	40	May 18	By cash,	58	121	40
May 24	To mdse.	58	45	80	May 31	By balance,		59	05
" 26	" "	58	7	25					
" 29	" "	58	6	00					
			59	05				59	05
June 1	To balance,		59	05					

PROOF-SHEET.

DR.		CR.
$44.00	James L. Davis	$9,000.00
41.05	J. O. Hancock	9,000.00
96.42	Henry H. Sawtelle	68.00
18.50	Benj. B. Webb	10.00
50.12	Geo. W. Howe	50.12
28.49	Livingston Muzzy	20.00
121.40	Moses T. Woodward	121.40
59.05	Moses T. Woodward	
$459.03		$18,269.52

Total footings of debit side of ledger,	$459.03
Total footings of credit side of ledger,	18,269.52
	$18,728.55
Total footings of day-book,	$18,728.55

This proof-sheet should be made before any of the accounts are closed in the ledger in order to test the correctness of the work. Then a statement of the assets and liabilities should be made, the loss or gain should be ascertained, and each partner should be credited in the day-book with his share of the gain, or debited with his share of the loss. These entries should be posted to the proper side of the partner's account, and the ledger should then be closed with red ink balances, which should be brought down on the other side of the account as the balance at the beginning of the next month.

ASSETS.

Store and fixtures per inventory valued at	$6,000.00
Merchandise " " " "	11,494.34
Cash as per cash-book	724.77
Henry H. Sawtelle owes on %	28.42
Benj. B. Webb " " "	8.50
Livingston Muzzy " " "	8.49
M. T. Woodward " " "	59.05
Total assets, May 31, 1875	$18,323.57

LIABILITIES.

James L. Davis, net capital May 1	$9,000.00	
James L. Davis drew out during the month	44.00	
James L. Davis, net capital May 31, exclusive of gain		$8,956.00
J. O. Hancock's net capital May 1	$9,000	
J. O. Hancock drew out during the month	41.05	
J. O. Hancock's net capital May 31, exclusive of gain		8,958.95
Total net capital exclusive of gain		$17,914.95
Total net gain		$408.62
James L. Davis's net gain		$204.31
J. O. Hancock's net gain		$204.31
James L. Davis's net capital May 31		$9,160.31
J. O. Hancock's " " " "		$9,163.26

Dr. BALANCE ACCOUNT. *Cr.*

1875.				1875.			
May 31	Store and fixtures,	6,000	00	May 31	By J. L. Davis,	9,160	31
	Mdse.*	11,494	34		" J. O. Hancock,	9,163	26
	Cash,	724	77				
	H. H. Sawtelle,	28	42				
	Benj. B. Webb,	8	50				
	L. Muzzy,	8	49				
	M. T. Woodward,	59	05				
		18,323	57			18,323	57

* Assumed.

155. What are assets?

All kinds of property owned by the proprietor or proprietors, such as real estate, merchandise, stocks, bonds, notes, and personal accounts.

156. What are liabilities?

All debts due others on notes or accounts, and the net capital.

157. What is the net capital?

The net capital is the difference between the assets and indebtedness. Hence the total assets must equal the liabilities after the gain is closed into the partner's account, if the work is correct.

158. Why is net capital a liability?

Because the business owes the net capital to the proprietors.

159. What is the balance account?

An account in which are entered the assets and liabilities. The assets are entered on the Dr. side, and the liabilities on the Cr. side.

160. Why should this account always balance?

Because the assets and liabilities are always equal when the loss or gain is properly closed into the partner's account.

161. What is the use of the balance account?

It is a test of the correctness of the closing of the ledger, while the proof-sheet is a test of the correctness of the posting.

162. What would be necessary, if at any time one of the partners should wish to retire from the business?

Close the ledger as above, pay him his net capital, debit him with the amount, and balance his account.

163. What would be necessary in order, at any time, to receive a partner into the firm?

Close the ledger as above; let the new partner pay any amount agreed upon by him and the other parties; credit him with the same; and continue the business as before.

EXAMPLE VIII.

May 3, 1875. — William A. Bailey and John K. Somers enter into partnership under the firm name of Bailey & Somers, as dealers in furniture and carpets. William A. Bailey invests mdse. valued at $7,862, and cash amounting to $1,138. John K. Somers invests his store valued at $3,000, and cash $6,000.

May 4. — Paid for set of books, and other expenses, $27.32. Sold Charles O. Ramsey on %, 1 sofa, $42.00; 4 parlor chairs, @ $5.00; 1 marble-top table, $28.00. Received cash for sales this day, $18.00.

May 5. — Received cash for sales this day, $21.00.

May 6. — Paid for bill of mdse. bought in Boston, $7,014.12. Sold Jacob S. Coombs on %, 1 black-walnut chamber set, $72.00. Received cash for sales this day, $31.00.

May 7. — Paid for freight, $37.41. Paid for drayage, $8.12. Sold Damon G. Usher on %, 25 yds. Brussels tapestry carpeting, @ $1.20; 28 yds. ingrain carpeting, @ 50¢; 30 yds. 4-4 straw matting, @ 20¢. Received for cash sales, $18.50.

May 8. — Charles O. Ramsey has this day paid cash on %, $40.00. Sold Jacob S. Coombs on %, 1 doz. common chairs, $7.00; 1 rocker, $4.50. Sold Mrs. Mary S. Walker on %, 42 yds. velvet carpeting, @ $4.00; 18 yds. straw matting, @ 30¢. Received cash for sales this day, $62.00.

May 10. — Sold Charles O. Ramsey on %, 1 book-case, $29.00. Paid John K. Somers cash on private %, $14.00. Received cash of Jacob S. Coombs on %, $75.00. Received for sales this day, $13.75.

May 11. — Received cash for sales this day, $42.00.

May 12. — Sold E. W. Lawrence on %, 1 cottage bedstead, $4.50; 1 what-not, $13.60; 1 black-walnut extension table, $19.00. Sold Abel Tyler on %, 24 yds. stair-carpeting, @ 62¢; 1 hall-mat, $3.50; 1 crumb-cloth, $9.00. Received cash for sales this day, $32.00.

May 13. — Cash received for sales this day, $81.00.

May 14. — Received cash on % of Charles O. Ramsey, $50.00. Sold Damon G. Usher on %, 1 parlor suit, $200.00. Paid W. A.

Bailey cash on private %, $19.00. Received for sales this day, $46.00.

May 15. — Cash sales this day, $81.00.

May 17. — Sold Jacob S. Coombs on %, 1 doz. dining chairs, @ $3.00 each; 1 wardrobe, $32.00. Received cash for sales this day, $43.00.

May 18. — Received cash for sales this day, $37.50.

May 19. — Received of Damon G. Usher on %, $50.00. Sold Mrs. Mary S. Walker on %, 1 bureau, $36; 1 plush parlor suit, $238.00; 1 doz. dining chairs, @ $3.00 each. She pays us $200.00 on %. Cash received for sales, $91.00.

May 20. — Received for sales this day, $44.00.

May 21. — Sold Abel Tyler on %, 1 chamber set, $71.00; 1 wash-stand, $5.00; 1 music-stool, $5.00. Sold E. W. Lawrence 9 yds. bocking, @ $1.50; 26 yds. stair-carpeting, @ $1.30. Received cash for sales, $40.00.

May 22. — Paid John K. Somers on private %, $11.50. Received of Charles O. Ramsey cash to balance %, $29.00. Cash received for sales this day, $62.00.

May 24. — Received cash for sales this day, $67.00. Received of Jacob S. Coombs on %, $50.00.

May 25. — Sold Damon G. Usher on %, 1 bureau, $17.00; 1 sink, $8.00; 1 bracket, $3.00. Sold Mrs. Mary S. Walker on %, 1 lounge, $36.00. Received cash for sales, $69.00.

May 26. — Cash received for sales this day, $74.00.

May 27. — Received cash for sales this day, $82.00.

May 28. — Paid William A. Bailey cash on private %, $13.75. Received of Abel Tyler on %, cash, $60.00. Received cash for sales, $87.00.

May 29. — Paid clerk-hire, $36.00. Paid for repairs, $7.00. Sold Abel Tyler 1 sofa, $42.00. Cash for sales this day, $104.00.

PROOF-SHEET.

$32.75	William A. Bailey	$9,000.00
25.50	John K. Somers	9,000.00
119.00	Charles O. Ramsey	119.00
151.50	Jacob S. Coombs	125.00
278.00	Damon G. Usher	50.00
519.40	Mrs. Mary S. Walker	200.00
84.40	E. W. Lawrence	000.00
150.38	Abel Tyler	60.00
$1,360.93		$18,554.00

$1,360.93 total debits of the ledger.
18,554.00 total credits of the ledger.

$19,914.93 total debits and credits.
19,914.93 total footing of day-book.

BALANCE ACCOUNT.

1875.				1875.			
May 31	To Store,	3,000	00	May 31	By W. A. Bailey,	9,283	39
	" Mdse.*	13,974	82		" J. K. Somers,	9,290	64
	" Cash,	1,750	53				
	" J. S. Coombs,	26	50				
	" D. G. Usher,	228	00				
	" Mrs. M. S. Walker,	319	40				
	" E. W. Lawrence,	84	40				
	" Abel Tyler,	90	38				
		18,574	03			18,574	03

* Assumed.

FIFTH FORM.

The previous forms are designed for farmers, mechanics, and retail dealers. The fifth is designed for wholesale merchants, or retail dealers doing a more extensive business. In addition to the books employed in the fourth form, a sales-book, an invoice-book, and a bill-book are introduced. The use of each will be explained in the proper connection.

The ninth example represents the business transactions of Daniel G. Moody and William T. Collins, who have united their capital and interest in a wholesale and retail flour and grain trade, under the firm name of Moody & Collins.

EXAMPLE IX.

The record of the transactions of this example will be omitted for the same reason as before.

INVOICE-BOOK.

164. What use is made of the invoice-book?

The invoice-book should contain a record of all merchandise on hand at the commencement of business, and all merchandise bought.

165. How should the invoice-book be ruled?

Like a ledger of the second form.

166. What should be written on the first horizontal line?

The same as in the day-book of third form.

167. What should be placed in the first column?

The date.

168. What in the second column?

The page of the several books to which the transactions are to be transferred, with red ink.

169. What in the third column?

Transactions.

170. Fourth and fifth?

Short extensions.

171. Sixth and seventh?

Full extensions.

Some book-keepers prefer to make use of a separate book for the inventory of merchandise on hand, instead of inserting it in the invoice-book. This is probably the better method. The other form will be shown in Part II.

The articles bought and sold in this example are of such a nature that they can be easily traced. The learner will ascertain if the inventory at closing is correct.

New Hampton, N.H., June 1, 1875.

		[*Inventory of Merchandise invested by* DANIEL G. MOODY *in the firm of* MOODY & COLLINS.]				
		10 bbls. St. Louis ch. ex. flour @ $10.00,	100			
		12 " medium ex. flour @ $8.00,	96			
		15 " extra flour @ $7.00,	105			
		40 " Western superfine flour @ $5.50,	220			
		30 " Southern extra flour @ $6.50,	195			
	77	20 " " choice ex. flour @ $8.00,	160			
		80 bush. white wheat @ $1.90,	152			
		30 " barley @ $1.50,	45			
		154 " Southern corn @ 77¢,	118	58		
		130 " Western yellow corn @ 75¢,	97	50		
		310 " oats @ .60,	186			
		200 " rye @ $1.00,	200			
		8 tons shorts @ $20.00,	160			
		3 " fine feed @ $21.00,	63			
		4 " middling @ $23.00,	92		1,990	08
		(Day-book. — Investment of D. G. M.)				
4		*Bought of* E. P. PRESCOTT & Co., *Concord.*				
		20 bbls. Baltimore flour @ $10.00,	200			
	77	10 " rye flour @ $6.00,	60			
		3 " oatmeal @ $7.00,	21			
		1000 lbs. buckwheat flour @ 3¢,	30			
		400 bush. Southern white corn @ 80¢,	320		631	
		(Day-book. — On % at 10 days.)				
10		*Bought of* THAXTER, SHAW, & Co.				
		100 bbls. St. Louis flour @ $9.50,	950			
	81	100 " Southern extra @ $6.25,	625			
		200 bush. Western white corn @ 70¢,	140			
		100 " oats @ 62¢,	62		1,777	
		(Cash-book. — Paid cash.)				
14		*Bought of* E. P. PRESCOTT & Co.				
	86	400 bush. Southern mixed corn @ 70¢,	280			
		100 " barley @ $1.50,	150			
		100 bbls. Genesee flour @ $8.00,	800		1,230	
		(Bill-book. — Note at 10 days.)				
		Amount forward,			5,628	08

New Hampton, June 24, 1875.

	Amount brought forward,		5,628	08
	Bought of E. P. PRESCOTT & Co.			
85	500 bush. corn meal, @ 80¢,	400		
	100 bbls. flour @ $9.00,	900	1,300	
	(Bill-book. — Note at 30 days.)			
	Total invoice of the month,		6,928	08
	[*Inventory of Mdse. remaining unsold at the close of the month.*]			
	400 bush. Southern mixed corn @ 70¢,	280		
	400 " corn meal @ 80¢,	320		
	300 " Southern white corn @ 80¢,	240		
82	100 bbls. Genesee flour @ $8.00,	800		
	99 " " " @ $9.00,	891		
	4 tons shorts @ $20.00,	80		
	2 " fine feed @ $21.00,	42		
	3 " middling @ $23.00,	69		
	700 lbs. buckwheat flour @ 3¢,	21	2,743	
	(Balance ⅌. — At cost.)			

The inventory of merchandise on hand June 1, is entered first in the invoice-book. At the bottom of the entry, on the right hand, is written "investment of D. G. M.," with red ink, to show from whom it was received. At the left "day-book" is written to show to what book it is transferred; in the second column, the page of the book to which it is transferred. When merchandise is bought on a note, it is transferred to the bill-book; when for cash, to the cash-book; when on account, to the day-book. For convenience we have inserted in the invoice-book the inventory of merchandise remaining unsold at the close of the month. The amount should be transferred to the balance account.

SALES-BOOK.

New Hampton, N.H., June 2, 1875.

		Sold EDWIN F. CATE.				
	77	10 bbls. extra St. Louis flour @ $8.00,	80			
		100 bush. Southern corn @ 84¢,	84			
		50 " oats @ 65¢,	32	50		
		2 tons shorts @ $22.00,	44		240	50
		(Day-book.— On ⅔.)				
3		*Sold* F. L. WILEY.				
	80	20 bbls. Southern ex. flour @ $7.00,	140			
		40 bush. rye @ $1.10,	44			
		50 " Western yellow corn @ 80¢,	40		224	
		(Cash-book. — For cash.)				
5		*Sold* GEORGE F. SHERBURNE.				
	86	10 bbls. ch. ex. St. Louis flour @ $11.00,	110			
		10 " Western superfine flour @ $6.00,	60			
		20 bush. white wheat @ $2.00,	40			
		1 ton fine feed,	25			
		½ bbl. oatmeal,	5		240	
		(Bill-book. — Note at 10 days.)				
9		*Sold* JOHN J. HARPER.				
		12 bbls St. Louis medium flour @ $9.00,	108			
		5 " " extra " @ $8.00,	40			
	78	10 " Southern " " @ $7.00,	70			
		15 bush. barley @ $1.60,	24			
		100 " southern white corn @ 90¢,	90		332	
		Day-book. — 10 days on ⅔.)				
12		*Sold* CYRUS S. NORMAN.				
		30 bbls. western super. flour @ $6.00,	180			
		20 " Southern ch. ex. @ $9.00,	180			
	86	100 bush. oats @ 70¢,	70			
		54 " Southern corn @ 80¢,	43	20		
		15 " barley @ $1.60,	24			
		60 " white wheat @ $2.00,	120		617	20
		(Bill-book. — Note at 10 days.)				
					1,653	70

New Hampton, June 14, 1875.

		Amount brought forward,			1,653	70
		Sold JOSIAH H. CONNER.				
	78	50 bbls. St. Louis flour @ $10.00,	500			
		50 " Southern extra flour @ $6.75,	337	50	837	50
		(Day-book. — On %.)				
16		*Sold* EDWIN F. CATE.				
		80 bush. Western yellow corn @ 80¢,	64			
		100 " rye @ $1.10,	110			
	80	200 " oats @ 65¢,	130			
		2 tons shorts @ $24.00,	48			
		10 bbls. rye flour @ 7.00,	70			
		20 " Baltimore flour @ $11.00,	220			
		1 bbl. oatmeal,	8		650	
		(Cash-book. — Rec'd cash.)				
22		*Sold* WILLIAM T. COLLINS. (Private %.)				
	79	1 bbl. flour,	9			
		½ " oatmeal,	5		14	
		(Day-book. — Private %.)				
28		*Sold* ALDEN F. FULLER.				
		60 bush. oats @ 70¢,	42			
		60 " rye @ $1.10,	66			
	86	1 bbl. oatmeal,	9			
		300 lbs. buckwheat flour @ 4¢,	12			
		1 ton middling,	25		154	
		(Bill-book. — Note at 20 days.)				
30		*Sold* HENRY M. AMES.				
		200 bush. Western white corn @ 80¢,	160			
		50 bbls. St. Louis flour @ $10.00,	500			
	80	50 " Southern extra flour @ $7.00,	350			
		100 bush. barley @ $1.62,	162			
		100 " corn meal @ 90¢,	90		1,262	
		(Cash-book. — Rec'd cash.)				
		Total sales for the month,			4,571	20

172. What use is made of the sales-book?

The sales-book should contain a record of merchandise sold.

173. How should the sales-book be ruled?

Like the invoice-book.

174. How should the entries be made?

Like those in the invoice-book; only the third column should contain merchandise sold, instead of merchandise bought.

Some book-keepers prefer to post directly from the invoice-book and sales-book, rather than transfer the entries, and post the results. In order to illustrate both methods, we adopt this form in single entry, and the other in double entry. The learner should thoroughly understand both methods. In actual business he can use either.

DAY-BOOK.

What transactions should be entered in the day-book of this form?

Cash received, and cash paid out on account, should be entered in the day-book and cash-book; merchandise *bought* on account should be entered in the invoice-book, and then transferred to the day-book; merchandise sold on account should be entered in the sales-book, and then transferred to the day-book. The assets and liabilities of the partners, except net capital, should be entered in the day-book when the books are opened; and the net gain should be entered when they are closed.

Charles Gray and John J. Harper owe Daniel G. Moody. Their accounts are in Daniel G. Moody's books, not given in this treatise. The agreement is that they shall pay the balances due Daniel G. Moody to the firm. He therefore credits them for enough to balance their accounts in his old books, and debits them for the same amounts in the books of the firm. Moody is also credited for the same amounts. William T. Collins is debited, and Cooper and Connor are credited, for like reasons.

New Hampton, N.H., June 1, 1875.

		DANIEL G. MOODY, *Cr.*				
		By mdse. per Invoice Book,	1,990	08		
		" Peter C. Snow's note and int. per B. B.	604	60		
	82	" Charles Gray, due on %,	163			
		" John J. Harper, due on %,	132			
		" cash,	1,110	32	4,000	
		WILLIAM T. COLLINS, *Cr.*				
		By store and fixtures invested,	2,800			
		" cash invested,	1,600		4,400	
	82	CONTRA, *Dr.*				
		To Edwin F. Cate, balance due him on %,	160			
		" Josiah H. Conner, " " "	140			
		" Leonard Cooper, " " "	100		400	
		CHARLES GRAY, *Dr.*				
	82	To amount due D. G. Moody,			163	
		JOHN J. HARPER, *Dr.*				
	82	To amount due D. G. Moody on his investment,			132	
		EDWIN F. CATE, *Cr.*				
	82	By amount due from W. T. Collins, assumed by firm,			160	
		JOSIAH H. CONNER, *Cr.*				
	83	By amount due from W. T. Collins, assumed by firm,			140	
		LEONARD COOPER, *Cr.*				
	83	By amount due from W. T. Collins, assumed by firm,			100	
2		EDWIN F. CATE, *Dr.*				
	82	To bill mdse., (Sales-Book, page 73),			240	50
4		E. P. PRESCOTT & Co., *Cr.*				
	83	By bill mdse., per Invoice Book,			631	
5		JOSIAH H. CONNER, *Dr.*				
	83	To cash to balance %,			140	
		Amount forward,			10,506	50

New Hampton, June 7, 1875.

		Amount brought forward,			10,506	50
		LEONARD COOPER, *Dr.*				
	83	To cash to balance %,			100	
9		JOHN J. HARPER, *Dr.*				
	82	To bill mdse. per Sales-Book,			332	
11		WILLIAM T. COLLINS (private %), *Dr.*				
	83	To cash on private %,			32	
12		DANIEL G. MOODY (private %). *Dr.*				
	83	To paid gas bill for him,			17	
14		JOSIAH H. CONNER, *Dr.*				
	83	To mdse. per Sales-Book,			837	50
14		E. P. PRESCOTT & CO., *Dr.*				
	83	To cash to balance %,			631	
17		JOHN J. HARPER, *Cr.*				
	82	By cash on %,			400	
19		DANIEL G. MOODY (private %), *Dr.*				
	83	To cash on %,			13	
		Amount forward,			12,869	00

New Hampton, June 22, 1875.

		Amount brought forward,			12,869	00
		WILLIAM T. COLLINS (private %), *Dr.*				
	83	To bill mdse. per Sales-Book,			14	
23		JOSIAH H. CONNER, *Cr.*				
	83	By cash on %,			700	
28		WILLIAM T. COLLINS (private %), *Dr.*				
	83	To cash on %,			17	
		Total footing of Day-Book,			13,600	
		DANIEL G. MOODY, *Cr.*				
	82	By ½ net gain for month,			14	59
		WILLIAM T. COLLINS, *Cr.*				
	82	By ½ net gain for month,			14	59
		Total footing, including net gain,			13,629	18

CASH. *Dr.*

1875.						
June	1	To amount invested by Daniel G. Moody,	1,110	32		
		" " " Wm. T. Collins,	1,600			
	3	" rec'd of F. L. Wiley per sales-book,	224			
	16	" " of E. F. Cate, per sales-book,	650			
	16	" " for P. C. Snow's note,	606	30		
		" " of J. J. Harper in full of %,	400			
	18	" " for G. H. Sherburne's note,	240			
	23	" " of J. H. Conner on %,	700			
	25	" " of C. S. Norman in full for note,	617	20		
	30	" " of Henry M. Ames, per S. B.	1,262			
					7,409	82
					7,409	82
July	1	To balance from last month,			3,094	19

CASH. *Cr.*

1875.						
June	1	By paid for set of books,	26	25		
	5	" J. H. Conner on %,	140			
	7	" Leonard Cooper on %,	100			
	10	" Thaxter, Shaw, & Co. per I. B.	1,777			
	11	" Daniel G. Moody's gas bill,	17			
		" W. T. Collins on private %,	32			
	14	" E. P. Prescott & Co. on %,	631			
	19	" D. G. Moody on private %,	13			
	26	" note favor of E. P. Prescott & Co.	1,230			
	28	" W. T. Collins on private %,	17			
	30	" clerk hire,	75			
		" freight bill,	247			
		" sundry expenses,	10	38		
					4,315	63
		By balance on hand,			3,094	19
					7,409	82

Dr. (Assets.) BALANCE ACCOUNT. (Liabilities.) *Cr.*

1875.					1875.				
June 1	To mdse.,		1,990	08	June 1	By E. F. Cate's %,		160	
	" P. C. Snow's note,		604	60		" J. H. Conner's %		140	
	" Cha's Gray's %,		163			" L. Cooper's %		100	
	" J. J. Harper's %,		182			" D. G. Moody's net investm't,		4,000	
	" store and fixt'rs,		2,800			" W. T. Collins's net investm't,		4,000	
	" cash,		2,710	32					
			8,400					8,400	

Dr. DANIEL G. MOODY. *Cr.*

1875.					1875.				
June 30	To private %,	83	30		June 1	By investment,	77	4,000	
June 30	To balance,	83	3,984	59	" 30	" net gain,	79	14	59
			4,014	59				4,014	59
					July 1	By balance,		3,984	59

Dr. WILLIAM T. COLLINS. *Cr.*

1875.					1875.				
June 1	To am't assumed,	77	400		June 1	By investment,	77	4,400	
" 30	" private %,	83	63		" 30	" net gain,	79	14	59
June 30	To balance,	83	3,951	59					
			4,414	59				4,414	59
					July 1	By balance,		3,951	59

Dr. CHARLES GRAY. *Cr.*

1875.					1875.				
June 1	To bal. due D. G. Moody,	77	163		June 30	By balance,	83	163	
July 1	To balance,		163						

Dr. JOHN J. HARPER. *Cr.*

1875.					1875.				
June 1	To am't due D. G. Moody,	77	132		June 17	By cash,	78	400	
" 9	To mdse. per S. B.	78	332		June 30	By balance,	83	64	
			464					464	
July 1	To balance,		64						

Dr. EDWIN F. CATE. *Cr.*

1875.					1875.				
June 2	To mdse. Sales-B'k	77	240	50	June 1	By am't due from W. T. C.,	77	160	
					June 30	By balance,	83	80	50
			240	50				240	50
July 1	To balance,		80	50					

Dr. **JOSIAH H. CONNER.** *Cr.*

1875.					1875.				
June 5	To cash to bal.	77	140		June 1	By am't due from W. T. C.	77	140	
June14	To mdse. S. B.	78	837	50	June 23	By cash,	79	700	
					June 30	By balance,	83	137	50
			837	50				837	50
July 1	To balance,		137	50					

Dr. **LEONARD COOPER.** *Cr.*

1875.					1875.				
June 7	To cash to bal.	78	100		June 1	By am't due from W. T. C.	77	100	

Dr. **E. P. PRESCOTT & CO.** *Cr.*

1875.					1875.				
June14	To cash to bal.	78	631		June 4	By mdse. I. B.	77	631	

Dr. **WILLIAM T. COLLINS.** (Private.) *Cr.*

1875.					1875.				
June11	To cash,	78	32		June 30	By W. T. Collins (partner),	82	63	
" 22	" mdse.	79	14						
" 28	" cash,	79	17						
			63					63	

Dr. **DANIEL G. MOODY.** (Private.) *Cr.*

1875.					1875.				
June12	To paid his bill,	78	17		June 30	By D. G. Moody (partner),	82	30	
" 19	" cash,	78	13						
			30					30	

Dr. (Assets) **BALANCE ACCOUNT.** (Liabilities.) *Cr.*

1875.					1875.				
June 30	To cash,		3,094	19	June 30	By note favor of E. P. P. & Co.		1,300	
	" store & fixtures,		2,800			By Dan'l G. Moody,		3,984	59
	" mdse.		2,743			By Wm. T. Collins,		3,951	60
	" Charles Gray,		163						
	" John J. Harper,		64						
	" Edwin F. Cate,		80	50					
	" Jos. H. Conner,		137	50					
	" A.F.Fuller's n'te		154						
			9,236	19				9,236	19

PROOF-SHEET.

Dr.		Cr.
	Daniel G. Moody	$4,000.00
$400.00	William T. Collins	4,400.00
163.00	Charles Gray	
464.00	John J. Harper	400.00
240.50	Edwin F. Cate	160.00
140.00	Josiah H. Conner	140.00
837.50	Josiah H. Conner	700.00
100.00	Leonard Cooper	100.00
631.00	E. P. Prescott & Co.	631.00
63.00	William T. Collins (private)	
30.00	Daniel G. Moody "	
$3,069.00		$10,531.00

Total footings of the debtor side of the ledger,	$3,069.00
" " " credit " " "	10,531.00
Total footing of debtor and credit sides of ledger,	$13,600.00
Total footings of the day-book,	$13,600.00

ASSETS, JUNE 30.

Cash as per cash-book	$3,094.19	
Store and fixtures valued at	2,800.00	
Mdse. per inventory	2,743.00	
Charles Gray owes on %	163.00	
John J. Harper owes on %	64.00	
Edwin F. Cate " "	80.50	
Josiah H. Conner " "	137.50	
Alden F. Fuller owes on note	154.00	
Total assets June 30,	$9,236.19	

LIABILITIES.

Note favor of E. P. Prescott & Co.		$1,300.00	
Daniel G. Moody net capital June 1	$4,000.00		
Daniel G. Moody drew out on private %	30.00		
His net capital exclusive of gain		3,970.00	
William T. Collins's net capital June 1	$4,000.00		
Drew out on private %	63.00		
His net capital exclusive of gain		$3,937.00	
Total liabilities exclusive of gain			$9,207.00
Total net gain			$29.19
Daniel G. Moody's net gain			$14.59
William T. Collins's net gain			$14.60
Daniel G. Moody's net capital at closing			$3,984.59
William T. Collins's " "			$3,951.60

The various amounts drawn out by the partners during the month are carried to their private accounts, and at the end of the month they are closed into the partner's accounts. Most book-keepers prefer this method, rather than the one in the fourth form.

We also open the ledger, and close it, with a balance account, so that the assets and liabilities may be seen at a glance; but the balances are brought down on the opposite side of the accounts, so that it will not be necessary to open the next month's business in the day-book with the assets and liabilities of the partners as before.

NOTES AND DRAFTS.

175. What is a note?

A note is a written promise to pay a certain sum of money, on demand, or at a specified time. The person who promises to pay is called the *Maker or Promissor*. His name should be written at the right hand, below the body of the note. The person to whom the amount is to be paid is called the *Payee*. His name is usually inserted in the body of the note. The person who writes his name on the back of a note is called the *Indorser*. The person to whom the note is made payable by the indorser is called the *Indorsee*.

176. What is a draft?

A draft is a written order directing the payment of a specified sum of money. The person who draws a draft is called the *Drawer*. He signs his name on the right, at the bottom of the draft. The person on whom the draft is drawn is called the *Drawee or Payer*. His name is usually written on the left hand, at the bottom of the draft. The person to whom payment is to be made is called the *Payee*. His name is usually found in the body of the draft.

177. How many kinds of drafts?

Two, sight and time drafts. A sight draft is payable when presented. A time draft is payable at the expiration of the time specified. Time drafts and, in many of the States, sight drafts are entitled to days of grace. A draft, unless paid on presentation, is accepted by the drawee, by writing the word "Accepted," together with the date and his name, across the face. An accepted draft is called an acceptance.

BILL-BOOK.

NOTES AND BILLS

No.	Maker.	Payee.	Date. 1875.		Time.
1	Peter C. Snow,	Daniel G. Moody,	April	15	60 days.
2	Geo. F. Sherburne,	Moody & Collins,	June	5	10 "
3	Cyrus S. Norman,	Moody & Collins,	"	12	10 "
4	Alden F. Fuller,	Moody & Collins,	"	28	20

NOTES AND BILLS

No.	Maker.	Payee.	Date. 1875.		Time.
1	Moody & Collins,	E. P. Prescott & Co.	June	14	10 days.
2	Moody & Collins,	E. P. Prescott & Co.	"	24	30 "

178. What is a bill-book?

A bill-book is a book in which a record is kept of notes and bills receivable and payable, stating when received or issued, when due, when paid or otherwise disposed of.

179. What should be placed among the bills receivable?

Notes and bills, made by other parties, received by the proprietor.

180. What should be placed among the bills payable?

Notes and bills issued to other parties by the proprietor.

BILL-BOOK.

RECEIVABLE.

When due.			Amount.		When and how disposed of.		
Year.	Month.	Day.					
1875	June	$\frac{14}{17}$	600		June	16	Paid.
1875	"	$\frac{15}{18}$	240		"	18	"
1875	"	$\frac{22}{25}$	617	20	"	25	"
1875	July	$\frac{18}{21}$	154				

PAYABLE.

When due.			Amount.		When and how disposed of.		
Year.	Month.	Day.					
1875	June	$\frac{24}{27}$	1,230		June	26	Paid.
1875	July	$\frac{24}{27}$	1,300				

181. How should the bill-book be ruled?

There are various forms. We have adopted the above on account of its simplicity.

182. What is the meaning of the fractional forms in the day columns above?

The upper figures denote the time when the note nominally becomes due. The lower ones denote the time of the expiration of the days of grace.

183. What is meant by the days of grace?

Three days allowed for payment of a note after the specified time has expired.

The learner will find forms of notes, drafts, checks, &c., together with additional explanations in Part II.

EXAMPLE X.

June 1, 1875. — Charles Brewer and Henry Sears enter into partnership this day under the firm name of Brewer and Sears, to invest equal amounts, and share alike in the profits and loss. Charles Brewer invests merchandise as follows: —

40 bbls	St. Louis extra flour	@ $7.00	$280.00	
50 "	" medium flour	@ 9.00	450.00	
50 "	choice extra flour	@ 10.00	500.00	
20 "	Western superfine flour	@ 6.00	120.00	
20 "	" extra flour	@ 7.00	140.00	
30 "	fancy Minnesota flour	@ 11.00	330.00	
10 "	rye flour	@ 5.00	50.00	
40 "	corn meal	@ 4.00	160.00	
200 bush.	wheat	@ 1.50	300.00	
100 "	barley	@ 1.75	175.00	
400 "	mixed corn	@ .90	360.00	
200 "	yellow corn	@ .95	190.00	
100 "	oats	@ .70	70.00	
100 "	rye	@ 1.20	120.00	
10 tons	shorts	@ 30.00	300.00	
10 "	fine feed	@ 33.00	330.00	
10 "	middling	@ 35.00	350.00	
				$4,225.00
	Cash as per cash-book			213.00
	T. H. Wood owes him on %			426.00
	W. B. Hazleton owes him on %			136.00
	Total investment of Charles Brewer			$5,000.00

Henry Sears invests his store valued at		$4,000.00
Cash as per cash-book		1,600.00
		$5,600.00
The firm assumes to pay for him the following: —		
To James Miller on %	$100.00	
" J. G. Wright "	240.00	
" Jasper Goodwin on note	260.00	
		600.00
Henry Sears net investment		$5,000.00

Sold Joseph Hicks on %, 10 bbls. rye flour, @ $6.00; 40 bbls. St. Louis extra flour, @ $8.00; 100 bu. mixed corn, @ $1.00. Paid cash for set books and sundries, $31.28.

June 3. — Sold H. E. Tucker, on his note at 10 days, 40 bbls. choice extra flour, @ $11.00; 20 bbls. Western superfine flour, @ $7.00; 20 bbls. Western extra flour, @ $8.00; 100 bu. wheat, @ $1.80. Paid Jasper Goodwin in full for note of Henry Sears, $260.

June 4. — Bought of George T. Crawford on %, 100 bbls St. Louis extra flour, @ $7.00; 100 bbls. Western superfine flour, @ $6.00; 100 bbls. Western extra flour, @ $7.00; 100 bbls. rye flour, @ $5.00. Paid Henry Sears cash on private account, $30.00.

June 5. — Sold T. H. Wood on %, 50 bbls. medium St. Louis flour, @ $10.00; 10 bbls. choice extra flour, @ $11.00; 30 bbls. fancy Minnesota flour, @ $12.00. W. B. Hazleton has paid cash on %, $136.00.

June 7. — Sold James M. George for cash 100 bu. yellow corn, @ $1.00; 100 bu. oats @ 80¢; 10 bbls. rye flour, @ $6.00. Bought of Cyrus Taylor for cash, 400 bu. oats, @ 70¢; 100 bbls. best Minnesota flour, @ $10.75. Paid Henry Sears on private account $14.00.

June 8. — Sold J. G. Wright on %, 100 bu. oats, @ 75¢; 100 bu. mixed corn, @ $1.00; 100 bu. barley, @ $2.00.

June 9. — Sold Warren P. Loud on his note at 10 days, 40 bbls. corn meal, @ $5.00; 100 bu. wheat, @ $1.75; 4 tons shorts, @ $35.00.

June 11. — Bought of Wesley, Colby, & Co. on %, 100 bu. white wheat, @ $1.60; 100 bu. barley, @ $1.72; 50 bbls. corn meal, @ $4.00. Paid Charles Brewer on private account, $28.00.

June 12. — Sold Joseph Hicks on %, 200 bu. mixed corn, @ $1.00; 100 bu. yellow corn, $1.05; 50 bu. rye, $1.40; 2 tons fine feed, @ $40; 5 tons middlings, @ $40. Paid George T. Crawford cash on %, $500. Received cash on %, of T. H. Wood, $1,000.

June 14. — Sold Wm. P. Ladd for cash, 50 bbls. St. Louis ex. flour, @ $8.00; 50 bbls. Western superfine, @ $7.00; 50 bbls. rye flour, @ $6.00; 50 bbls. best Minnesota flour, @ $11.00; 50 bbls. corn meal, @ $4.50.

June 16. — Sold J. G. Wright on %, 100 bu. oats, @ 75¢; 50 bu. barley, @ $2.00; 4 tons shorts, @ $30.00; 4 tons fine feed, @ $35.00; 5 tons middling, @ $40.00. Joseph Hicks has paid cash on %, $500. H. E. Tucker has paid his note of the 3d inst., due this day, $920. Paid insurance, $31.00.

June 19. — Sold James Miller on %, 50 bu. rye, @ $1.50; 2 tons shorts, @ $30.00; 4 tons fine feed, @ $35.00. Sold W. B. Hazleton for cash 100 bu. white wheat, @ $1.75.

June 21. — Paid Geo. T. Crawford cash on %, $1,000. Paid Wesley, Colby, & Co. cash on %, $500.00

June 22. — Bought of Jones & Greeley on %, 200 bbls. corn meal, @ $4.00; 100 bu. rye, @ $1.10; 10 tons shorts, @ $25.00; 10 tons fine feed, @ $30.00; 10 tons middling, @ $35.00. Paid Charles Brewer on private account, $11.50. Warren P. Loud has paid his note of the 9th inst., $515.00.

June 23. — Sold W. B. Hazleton on %, 50 bbls. St. Louis ex. flour, @ $8.00; 50 bbls. Western superfine, @ $7.00; 100 bbls. Western extra flour, @ $7.25; 40 bbls. rye flour, @ $6.00.

June 24. — Paid Geo. T. Crawford cash on %, $1,000. J. G. Wright has paid us cash on %, $600.00.

June 26. — Sold James Miller on his note at 60 days, 50 bbls. best Minnesota flour, @ $11.00; 200 bu. oats, @ 75¢; 50 bu. barley, @ $2.00.

June 28. — Bought of Cyrus Taylor on %, 100 bbls. Baltimore flour, @ $9.00; 100 bbls. Michigan flour, @ $8.00; 100 bbls. Ohio flour, @ $8.25; 100 bbls. Canada flour, @ $8.25; 100 bbls. Richmond flour, @ $8.00.

June 29. — Received cash of Joseph Hicks, $500.00. Paid Jones & Greeley, cash, $1,500.00.

June 30. — Paid for drayage, $61.50. Paid for freight, $238.00. Paid for clerk-hire, &c., 116.00. Sold Joseph Hicks on %, 10 bbls. Michigan flour, @ $9.00; 10. bbls. Richmond flour, @ $9.00; 50 bbls. corn meal, @ $5.00. Received cash of W. B. Hazleton to balance %, $1,715.00.

June 30. — Took account of merchandise on hand. Amount of inventory, $5,600.00.

Dr. BALANCE ACCOUNT. *Cr.*

1875.				1875.			
June 30	To Mdse.	5,600	00	June 30	By Wesley, Colby, & Co.	32	00
	" Cash	3,262	72		" Jones & Greeley	316	00
	" Store	4,000	00		" Cyrus Taylor	4,150	00
	" T. H. Wood	396	00		" C. B., net capital	5,240	61
	" James Miller	175	00		" H. S., " "	5,236	11
	" J G. Wright	170	00				
	" Joseph Hicks	565	00				
	" Jas. Miller's note,	800	00				
		14,968	72			14,968	72

PROOF-SHEET.

DR.		CR.
	Charles Brewer	$5,000.00
$600.00	Henry Sears	5,600.00
1,396.00	T. H. Wood	1,000.00
136.00	W. B. Hazelton	136.00
1,715.00	W. B. Hazelton	1,715.00
275.00	James Miller	100.00
1,010.00	J. G. Wright	840.00
1,565.00	Joseph Hicks	1,000.00
2,500.00	Geo. T. Crawford	2,500.00
500.00	Wesley, Colby, & Co.	532.00
1,500.00	Jones & Greeley	1,810.00
	Cyrus Taylor	4,150.00
39.50	Charles Brewer (private %).	
44.00	Henry Sears (private %).	
11,280.50		24,383.00

$11,280.50 Total debits.
24,383.00 " credits.

$35,663.50 Total debits and credits.
$35,663.50 " footing of day-book.

PART II.

DOUBLE ENTRY.

PART II.

DOUBLE ENTRY.

(1.) What is single-entry book-keeping?

Single-entry book-keeping is a method of recording business transactions, in which the proprietor keeps an account with other parties only.

(2.) Then have we any example of *pure* single-entry book-keeping in Part I.?

We have not. The first six examples have accounts with cash, which are really accounts with the proprietor under another name. The others have accounts of part of the transactions with the partners. Such a method of book-keeping has, however, been denominated single entry, and we have followed the common usage.

(3.) What is double-entry book-keeping?

Double-entry book-keeping is that method of recording business transactions in which an account is kept with the proprietor and other parties, — with both debtors and creditors.

(4.) Do we keep an account with the proprietor under the same title, at all times?

We do not. It is more convenient to employ several titles.

(5.) When do we use the owner's name?

In keeping an account of the proprietor's investment, and his net gain or loss. Some authors use the term "stock" instead of the proprietor's name, but we prefer the method adopted here.

(6.) What is meant by cash account?

It is an account which the proprietor keeps with himself of all money on hand, received, or paid. Money on hand, or received, is cash Dr. Money paid out is cash Cr.

(7.) What is the merchandise account?

An account of goods bought and sold for the sake of profit. When goods are bought, merchandise account is debited for the cost. When goods are sold, merchandise account is credited with the proceeds.

(8.) What is real estate account?

An account with houses, lands, and other immovable property legally denominated real estate. When such property is bought, real estate account is debited for the cost. When it is sold, real estate account is credited with the proceeds.

(9.) What is bills receivable account?

An account which is kept with notes and bills receivable. When a note or bill is received by the proprietor from another party, bills receivable account is debited. When paid, bills receivable account is credited.

(10.) What is bills payable account?

An account of notes and bills issued to other parties by the proprietor. When the proprietor issues a note, bills payable account is credited. When he pays it, bills payable account is debited.

(11.) What is the sundry items account?

An account of various items necessary in carrying on a business, but not capable of being classified under either of the foregoing heads. Authors usually call this an expense account. We prefer the above title. When sundry articles are purchased for use in the business, or sundry expenses are incurred, the sundry items account is debited with the amount paid. If anything shall be received for such articles, the account should be credited with the same.

(12.) Is it necessary to have all these accounts?

It is not. All the accounts could be kept under the name of the proprietor; for they are all divisions of his own account with himself, as one of the parties to every business transaction. But it is very convenient to keep a separate account of the various species of property, and thus ascertain more accurately the several channels through which gains are accumulated, or losses sustained.

(13.) What are such accounts called?

Accommodation accounts; because they are not essential, but convenient.

(14.) How many of these may there be?

Their number is limited only by the nature of the business, and the convenience of the book-keeper. But it should be remembered that all these accommodation accounts always represent the proprietor as one of the parties to the exchange of values.

(15.) How many books are necessary in double-entry book-keeping?

Three, — day-book, journal, and ledger. Most business men have a cash-book, invoice and bill book in addition. These are not absolutely essential, but no good book-keeper will do without them.

DAY-BOOK.

(16.) What is the use of the day-book?

The same as in single entry.

(17.) How is a day-book in double entry ruled?

Like that of single entry.

(18.) What should be put in the second column?

The check-mark, with red ink, to show when the entry is journalized. Some book-keepers insert the page of the journal instead of the check-mark.

(19.) What difference is there in the third column of the day-book, in double entry?

The entry is made in an historical form; also the Dr. and Cr. are omitted.

(20.) Is the day-book always used?

It is sometimes combined with the journal for the purpose of shortening the process. But for beginners it is very much better to keep the day-book and journal entirely separate. Sometimes a blotter is used, in which the original entries are made by different individuals, and then the day's work copied to the day-book by the book-keeper. In this case the original blotter should be kept for reference in case of dispute. Some merchants use a slate instead of a blotter. This practice for obvious reasons should be avoided.

EXAMPLE I.

New Hampton, N.H., July 1, 1875.

		B. L. WEST commences business this day with an inventory of lumber valued at		4,000
2		Sold JOSEPH W. HILL, for cash,		
	√	14 M. hemlock boards, @ $12.00,		168
3		Bought of A. M. ALDEN, for cash,		
	√	10 M. XX shingles, @ $4.00,		40
5		Sold R. H. MCDONALD, on his note at 10 days,		
	√	18 M. 2 × 4 scantling, @ $12.00,		216
7		Bought of ALBERT SMITH, on our note at 20 days,		
	√	40 M. No. 2 fencing, @ $11.00,		440
10		Sold JAMES OSBURN, on %,		
	√	10 M. laths, @ $3.00,		30
12		Bought of H. R. CLUM, on %,		
	√	50 M. No. 2 dressed flooring, @ $25.00,		1,250
15	√	Paid cash for work in lumber-yard,		14
		Sold EDWIN MANSON, for cash,		
	√	20 M. X shingles, @ $3.00,	$60.00	
		10 M. XX shingles, @ $4.00,	40.00	100
17	√	R. H. MCDONALD has this day paid his note of July 5, in cash,		216
				6,474

New Hampton, July 20, 1875.

		Amount brought forward,	6,474
	✓	Sold JAMES OSBURN, on %, 4 M. flooring, @ $25.00,	100
22	✓	Sold WILLIAM COLLAR, for cash, 18 M. clear-pine boards, @ $40.00,	720
24	✓	JAMES OSBURN has paid us cash on %,	50
27	✓	Sold W. T. WEEKS, on his note at 60 days, 14 M. spruce lumber, @ $15.00,	210
29	✓	Bought of EDWIN MANSON, on our note at 30 days, 10 M. clapboards, @ $50.00,	500
30	✓	Paid cash to ALBERT SMITH for our note of the 7th inst., due this day,	440
31	✓	Sold for cash to JOHN M. TAYLOR, 4 M. pine boards, @ $20.00,	80
		Total footing of Day-Book,	8,574

JOURNAL.

(21.) What is a journal?

A journal is a book in which the proper debits and credits are arranged previous to posting them to the ledger.

(22.) What should be placed in the first column?

The date.

(23.) The second?

The page of the ledger to which the amount is posted.

(24.) What in the third?

The ledger titles.

(25.) What in the first set of money columns?

Debit amounts.

(26.) What in the second set?

Credit amounts.

(27.) How many rules are there for journalizing?

Two general rules.

(28.) What is the first, or the rule concerning the proprietor?

Whatever comes *in* to the concern is *debited;* and whatever goes *out* from the concern is *credited.*

(29.) What is the second rule, or the rule concerning other persons, firms, corporations?

Whoever *receives* value of the concern, and *does not pay*, should be *debited* for the amount; and whoever *gives* value to the concern, and *does not receive pay*, should be *credited* for the amount.

(30.) Are these two rules sufficient for journalizing all transactions?

They are. The answers to the previous questions in double entry will greatly assist the learner, but the above rules are all which are essential.

There would seem to be an exception in regard to the interest account. But there is not. When money is received for interest, *cash* comes in, and interest *brings* it in. Hence cash is Dr. and interest Cr.

EXAMPLE I.

New Hampton, N.H., July 1, 1875.

			Dr.		Cr.	
	106 105	MDSE. Dr. To B. L. West. Here lumber comes *in* to the concern, hence it should be debited under some appropriate head; and men have agreed to call all such commodities as are bought on speculation merchandise. Therefore we have Mdse. Dr. As B. L. West puts lumber into the concern, and receives no pay for the same, he will be credited according to Rule 2, as above. [This should be omitted by the learner when copying into the blanks.]	$4,000		$4,000	
2	108 106	CASH Dr. To mdse. Money comes *in*, and hence Cash is Dr. Lumber goes *out*, and Mdse. is Cr. by Rule 1.	168		168	
3	106 108	MDSE. Dr. To cash. Mdse. comes *in*, Cash *goes out*; hence the above entry.	40		40	
5	108 106	BILLS RECEIVABLE Dr. To mdse. R. H. McDonald's note comes in; but another person's note, in book-keeping, is called bills receivable. Hence Bills Receivable Dr. Mdse. goes out, and hence Mdse. Cr. He pays us for the lumber with his note, to be paid in 10 days.	216		216	
7	106 109	MDSE. Dr. To bills payable. Mdse. comes *in*, hence is Dr. Our *note*, in book-keeping, is classed under Bills Payable %; and, as it *goes out*, it is journalized as Bills Payable Cr. We pay Albert Smith for the lumber with our note, to be paid in 20 days.	440		440	
			$4,864		$4,864	

New Hampton, July 10, 1875.

			Dr.	Cr.
		Amount brought forward,	4,864	4,864
10	109	JAMES OSBURN Dr.	30	
	106	To mdse.		30
		James Osburn receives lumber, and does not pay for it: hence he is debited according to Rule 2. Mdse. *goes out,* and is credited according to Rule 1.		
12	106	MDSE. Dr.	1,250	
	110	To H. R. Clum.		1,250
		Mdse. comes *in,* and is debited. H. R. Clum furnishes the concern lumber, and receives no pay: therefore he should receive Cr. according to Rule 2.		
15	110	SUNDRY ITEMS Dr.	14	
	108	To cash.		14
		Work on lumber comes into the concern; but work is classed under Sundry Items, and debited under that head. Cash goes out, and is credited.		
	108	CASH Dr.	100	
	106	To mdse.		100
		Cash comes *in,* Mdse. goes *out.*		
17	108	CASH Dr.	216	
	108	To bills receivable.		216
		Cash comes in, and is debited. R. H. McDonald's note goes out, and Bills Receivable account is credited. This note was given on 10 days time. Ten days from July 5 would be July 15. Adding three days of grace, would give July 18. But the 18th is Sunday: so the note had to be paid Saturday, July 17.		
20	109	JAMES OSBURN Dr. (Rule 2.)	100	
	106	To mdse.		100
			6,574	6,574

New Hampton, July 22, 1875.

			Dr.		Cr.	
		Amount brought forward,	6,574		6,574	
22	108 106	CASH Dr. To mdse.	720		720	
24	108 109	CASH Dr. To James Osburn. James Osburn pays us cash, and receives nothing in return; hence he should be credited according to Rule 2.	50		50	
27	108 106	BILLS RECEIVABLE Dr. To mdse.	210		210	
29	106 109	MDSE. Dr. (Comes in.) To bills payable. (Our note goes out.)	500		500	
30	109 108	BILLS PAYABLE Dr. To cash. Our note comes *in* when we pay it; but our note is classed under Bills Payable account. Hence Bills Payable account is debited. Cash goes out, and is credited.	440		440	
31	108 106	CASH Dr. To mdse.	80		80	
		Total footing of journal,	8,574		8,574	

(31.) What is the proof of the correctness of the journalizing?

The total footings of the Dr. and Cr. columns of the journal will equal each other, and each will equal the total footing of the day-book, if the work is correct.

(32.) Why?

Because the same or equal amounts as are in the money columns of the day-book are transferred to the Dr. columns of the journal, and also to the Cr. columns. Hence they must all foot alike, being the same or equal amounts.

If the footings at any time should not correspond, the work should be reviewed until the mistake is found and corrected. The accuracy of the journalizing should always be tested before any of the work is posted.

LEDGER.

(33.) How is a ledger in double entry ruled?

Like a ledger in single entry.

(34.) How is it posted?

The amounts are posted from the journal in a manner similar to that of single entry.

(35.) What is the proof of the posting of the ledger?

The footing of either side of the proof-sheet will equal the footing of either set of money columns in the journal, if it is posted correctly.

(36.) Why should this be so?

Because all the items in the debit columns of the journal have been transferred to the debit side of the ledger, and all the items in the credit columns of the journal have been transferred to the credit side of the ledger. The debit side of the proof-sheet is the sum of the debit sides of all the accounts in the ledger; and the credit side of the proof-sheet is the sum of the credit sides of all the accounts in the ledger. Hence the footings of the journal and those of the proof-sheet must agree if the work is correct; for the latter are made up of the same amounts as the former.

(37.) *When* should the proof-sheet be made?

Before the ledger is closed.

(38.) *How* should the proof-sheet be made?

The same as in single entry; only the footings of the two sides will always agree.

(39.) Is this test an absolute proof of the correctness of the posting?

It is not. It will always prove true when the work is correct. But the footings of the proof-sheet may be equal, and they may also be equal to the footings of the journal, when the work is not correct. However, it is the best test we have, and should never be omitted.

(40.) How often should a ledger be closed?

Once a month, if convenient.

(41.) Why should a ledger be closed?

In order to regulate the proprietor's account.

(42.) How can the proprietor's account be regulated?

By closing in the net gain, or net loss.

(43.) How can this be ascertained?

By closing all the other accounts.

(44.) In closing all the accounts of a ledger, how many kinds of red ink entries do we find?

Four, — assets, liabilities, losses, and gains.

(45.) What does the red ink indicate?

That the amounts are not in their proper place, and are to be transferred to some other.

(46.) How many new places must be provided for the red ink entries in closing a ledger?

Four; and, as there are two places in each account, it will be necessary to open two new accounts. Hence we open a balance account, and loss and gain account. The Dr. side of the balance account is for assets, the Cr. for liabilities. The Dr. side of loss and gain account is for losses, the Cr. for gains. We then proceed to close the ledger.

Dr. B. L. WEST. *Cr.*

1875.					1875.				
July 31	To balance,	111	4,080		July 1	By mdse.	101	4,000	
					" 31	" loss and gain,	110	80	
			4,080					4,080	

(47.) What should be the first account in every ledger?

The proprietor's account.

(48.) Why do we pass over this account till all the others are closed?

In order to ascertain the net gain or loss.

(49.) What should be placed on the Dr. side of the proprietor's account?

Debts assumed by the concern, property withdrawn, and net loss.

(50.) What on the Cr. side?

Investment at first, additional investments, and net gain.

(51.) Why should the $80 of gain be entered with black ink?

Because it is in the proper place.

(52.) Why is "loss and gain" written before it?

To show that it came from the loss and gain account.

(53.) What is the amount of difference between the sides of the account?

$4,080.00.

(54.) What is this?

Net capital.

(55.) Where should it be placed?

On the Dr. side.

(56.) Why?

To balance the account.

(57.) With what kind of ink?

Red, because it is not in the proper place.

(58.) Where is the proper place?

On the Cr. side of balance account, because it is a liability.

(59.) Why should "To balance" be written before it?

To show that it is carried to the Cr. side of balance account.

Dr. MERCHANDISE. *Cr.*

1875.				1875.			
July 1	To B. L. West,	101	4,000	July 2	By cash,	101	168
" 3	" cash,	101	40	" 5	" bills receiv'ble,	101	216
" 7	" bills payable,	101	440	" 10	" James Osburn,	102	30
" 12	" H. R. Clum,	102	1,250	" 15	" cash,	102	100
" 29	" bills payable,	103	500	" 20	" James Osburn,	102	100
July 31	To loss and gain L.	110	94	" 22	" cash,	103	720
				" 27	" bills receiv'ble,	103	210
				" 31	" cash,	103	80
				July 31	By bal. (Inv.) L.,	111	4,709
			6,324				6,324

(60.) What should be placed on the Dr. side of merchandise account?

Cost.

(61.) What on the Cr. side?

Proceeds.

(62.) Why do we place the inventory of unsold merchandise on the Cr. side?

To balance the cost already entered on the debit side.

(63.) Why do we write the $4,700 with red ink?

Because it is not in its proper place. The Cr. side was made for receipts; and the $4,700 is an inventory, or the cost when it was bought.

(64.) Why do we write (Inv.) before it?

To tell that it is an inventory.

(65.) Why write "By balance"?

To show that it is carried to the Dr. side of balance account.

(66.) How is the $94.00 obtained?

By adding what we have received (black ink on the Cr. side) to what we expect to receive (red ink on Cr. side), and taking the cost from the sum. There is a gain remaining of $94.00, which we place on the Dr. side with red ink.

(67.) Why place it on the Dr. side?

Because it is the only amount which will balance the account.

(68.) Why with red ink?

Because it is not in its proper place. The Dr. side of the account was made for the *cost* of merchandise, and this amount is *gain*.

(69.) Why write "To loss and gain" before it?

To show that it is to be carried to the Cr. side of loss and gain account.

(70.) Why should it be carried there?

Because that place was made for gains.

(71.) Will the merchandise account now balance?

It will.

(72.) What should be placed on the Dr. side of cash account?

Money received.

(73.) What on the Cr. side?

Money paid out.

Dr. CASH. *Cr.*

1875.					1875.				
July 2	To mdse.,	101	168		July 3	By mdse.,	101	40	
" 15	" "	102	100		" 15	" sundry items,	102	14	
" 17	" bills received,	102	216		" 30	" B. payable,	103	440	
" 22	" mdse.,	103	720		July 31	By balance L.,	111	840	
" 24	" James Osburn,	103	50						
" 31	" mdse.,	103	80						
			1,334					1,334	

(74.) How do we obtain the amount of money on hand?

By taking the sum paid out from the sum received, which we find to be $840.00.

(75.) Where do we place this amount?

On the Cr. side in order to balance the account.

(76.) Why with red ink?

Because it is not in its proper place. The Cr. side was made for money paid out, but we have entered the amount of money on hand, because there is no other sum which will balance the account.

(77.) Where should it be carried?

To its proper place, the Dr. side of balance account among the assets.

Dr. BILLS RECEIVABLE. *Cr.*

1875.					1875.				
July 5	To mdse.,	101	216		July 17	By cash,	102	216	
" 27	" "	103	210		July 31	By balance, L.,	111	210	
			426					426	

(78.) What should be placed on the Dr. side of this account?

The amount of notes receivable when received.

(79.) What on the Cr. side?

The amount of notes receivable when paid.

(80.) What does the difference always represent?

The amount of notes receivable on hand. In the above account we have one note on hand of $210.00. We place this

amount on the Cr. side with red ink in order to balance the account, and carry it to the Dr. side of balance account among the other assets.

Dr. BILLS PAYABLE. *Cr.*

1875.					1875.				
July 30	To cash,	103	440		July 7	By mdse.,	101	440	
July 30	To balance L.,	111	500		" 29	" mdse.,	103	500	
			940					940	

(81.) What should be placed in this account?

On the credit side should be the proprietor's notes issued, and on the debtor side his notes paid.

(82.) How should the account be closed?

Take the Dr. side from the Cr., and the difference will be the amount of the proprietor's notes outstanding, which we place on the Dr. side with red ink, and carry to the Cr. side of the balance account among the other liabilities.

Dr. JAMES OSBURN. *Cr.*

1875.					1875.				
July 10	To mdse.,	102	30		July 24	By cash,	103	50	
" 20	" "	102	100		July 31	By balance L.,	111	80	
			130					130	

(83.) What is placed in this account?

The proprietor's account against James Osburn on the Dr. side, his account against the proprietor on the Cr. side.

(84.) How should the account be closed?

Take the amount of the Cr. side from the amount of the Dr. side, and the remainder will be what James Osburn owes the proprietor; which is entered on the smaller side with red ink, in order to balance the account, and then transferred to the opposite side of the balance account, among the other assets.

Dr. H. R. CLUM. *Cr.*

1875.					1875.			
July 31	To balance L.,	111	1,250		July 12	By mdse.,	102	1,250

(85.) How do we close this account?

This account has but one entry, which is H. R. Clum's account against the proprietor. We enter an equal amount — that is, what the proprietor owes him — on the Dr. side in red ink, and transfer it to the opposite side of balance account, among the other liabilities.

Dr. SUNDRY ITEMS. *Cr.*

1875.					1875.			
July 15	To cash,	102	14		July 31	By loss and gain L.,	111	14

(86.) What should be placed on the Dr. side of this account?

Cost, or amount paid.

(87.) What on the Cr. side?

Proceeds, or amount received.

(88.) How shall it be closed?

As there are no proceeds, and no inventory, the amount must be a loss; which we enter on the Cr. side in red ink, and carry it to the Dr. side of loss and gain account with black ink because it is then in its proper place.

Dr. LOSS AND GAIN. *Cr.*

1875.					1875.			
July 31	To Sund. Items %,	110	14		July 31	By mdse. %,	106	94
July 31	To B. L. West, L.,	105	80					
			94					94

(89.) How should this account be closed?

The losses and gains might have been closed into the proprietor's account directly; but it is more convenient to open a loss and gain account, and close the balance into the proprietor's account. The losses are on the Dr. side, the gain on the Cr. side. Taking the loss from the gain will leave the net gain, which we place on the debit side among the losses in order to balance the account, with red ink because not in its proper place; and carry it to the credit side of B. L. West, the proprietor's account, with black ink because that is its proper place, as an addition to the investment.

Dr. BALANCE. *Cr.*

1875.		Led.		1875.		Led.	
July 31	To cash,	108	840	July 31	By bills payable,	109	500
	" mdse..	106	4,700	" 31	" H. R. Clum,	110	1,250
	" bills rec.,	108	210	" 31	" B. L. West,	105	4,080
	" James Osburn,	109	80				
			5,830				5,830

(90.) What is placed on the Dr. side of balance account?

Assets of the concern.

(91.) What on the Cr. side?

Liabilities. As the assets and liabilities are always equal, this account will always balance when the ledger is closed correctly. The difference between the assets and indebtedness is the net capital.

PROOF-SHEET.

DR.		CR.
	B. L. West	$4,000.00
$1,334,00	Cash	494.00
6,230.00	Merchandise	1,624.00
426.00	Bills receivable	216.00
440.00	Bills payable	940.00
130.00	James Osburn	50.00
	H. R. Clum	1,250.00
14.00	Sundry items	
$8,574.00	Equal total footings of the journal.	$8,574.00

BILL-

BILLS

No.	Maker.	Payee.	Date.		Time.
			1875.		
1	R. H. McDonald,	B. L. West,	July	5	10 days
2	W. T. Weeks,	B. L. West,	July	27	60 days

BILLS

No.	Maker.	Payee.	Date.		Time.
			1875.		
1	B. L. West,	Albert Smith,	July	7	20 days

CASH-

CASH. *Dr.*

1875					
July	2	To mdse. sold Joseph W. Hill,	168		
	15	" " " Edwin Manson,	100		
	17	" bills rec. R. H. McDonald's n. of 5th inst.	216		
	22	" mdse. sold William Collar,	720		
	24	" James Osburn on %,	50		
	31	" mdse. sold John M. Taylor,	80		1,334
					1,334
Aug.	1	To balance from last month,			840

BOOK.

RECEIVABLE.

When due.		Amount.	When and how disposed of.			
1875.			1875.			
July	15	$216.00	July	17	Paid	
Sept.	25	$210.00				

PAYABLE.

When due.		Amount.	When and how disposed of.			
1875.			1875.			
July	27	$440.00	July	30	Paid	

BOOK.

CASH. *Cr.*

1875.					
July	3	By mdse. bought of A. M. Alden,	40		
	15	" sundry items. Paid for work,	14		
	30	" bills payable. Note favor of A. Smith,	440		
					494
July	13	By balance. Amount on hand,			840
					1,334

EXAMPLE II.

DAY-BOOK.

New Hampton, N.H., July 1, 1875.

	√	GEO. S. BRADLEY commences business this day with an inventory of lumber valued at	5,000
3	√	Sold J. C. CHURCH for cash, 17 M. clear pine boards @ $40.00,	680
6	√	Bought of SAMUEL C. CALL on our note at 10 days, 15 M. coarse pine boards @ $20.00,	300
7	√	Sold to L. H. WORTH on %, 7 M. spruce boards @ $15.00,	105
9	√	Bought of DAVID K. BOND on our note at 30 days, 60 M. shipping boards @ $20.00,	1,200
10	√	Sold JAMES BOYD on his note at 60 days, 30 M. pine clapboards @ $50.00,	1,500
13	√	Bought of DANIEL L. PIKE for cash, 7 M. pine shingles @ $14.00,	98
15	√	Sold L. H. WORTH on %, 11 M. cedar shingles @ $3.00,	33
17	√	Paid cash for drayage, (Debit this to Sundry Items %.)	16
19	√	Paid cash for our note, favor of SAMUEL C. CALL, due this day,	300
			9,232

New Hampton, N.H., July 21, 1875.

		Amount brought forward,	9,232
	√	Sold JAMES P. LEWIS on %, 18 M. laths @ $3.00,	54
23	√	L. H. WORTH has paid us cash on %,	100
24	√	Sold JAMES A. WHITNEY on %, 8 M. scantling @ $12.00,	96
27	√	Paid cash for work on lumber,	8
	√	Sold J. A. WHITNEY on %, 11 M. hemlock boards @ $10.00,	110
29	√	Sold DAVID H. ADAMS on his note at 30 days, 7 M. fencing @ $11.00,	77
30	√	Received of JAMES P. LEWIS, Cash to balance %,	54
31	√	Received cash on % of JAMES A. WHITNEY,	80
		Total footing of Day-Book,	9,811

If this example is correctly journalized, posted, and closed, the following results will be obtained: —

PROOF-SHEET.

DR.		CR.
	George S. Bradley	$5,000
$6,598	Mdse.	2,655
914	Cash	422
300	Bills payable	1,500
138	L. H. Worth	100
1,577	Bills receivable	
24	Sundry items	
54	James P. Lewis	54
206	James A. Whitney	80
$9,811	Equal the footing of the journal.	$9,811

Dr. LOSS AND GAIN. *Cr.*

1875.			1875.		
July 31	To sundry items %	24	July 31	By mdse. %,	167
July 31	" G. S. Bradley %	143			
		167			167

Dr. BALANCE. *Cr.*

1875.			1875.		
July 31	To mdse. (Inv.)*	4,110	July 31	By bills pay,	1,200
" "	" cash,	492	" "	" G. S. Bradley,	5,143
" "	" L. H. Worth,	38			
" "	" bills rec.	1,577			
" "	" J. A. Whitney,	126			
		6,343			6,343

*Assumed,

EXAMPLE III.

PARTNERSHIP.

John Smith and John Brown enter into partnership under the firm title of Smith & Brown, to invest in equal amounts, each to spend his entire time in the business, and the gains or losses to be shared equally.

DAY-BOOK.

New Hampton, N.H., Aug. 2, 1875.

		JOHN SMITH invests in the business,				
		Store and lot valued at		$4,000.00		
		Mdse. invoice at 87 % on the first cost, amounting to		3,486.16		
	✓	Note from H. G. Drew, due Sept. 1.				
		Face of note,	$400.00			
		Discount off,	2.00			
		Net value of note,		398.00		
		Account against R. A. Coit,		273.18		
		" " E. L. Barry,		106.11		
		John Smith's total investment,			8,263	45
	✓	JOHN BROWN invests cash,			8,742	13
		JOHN BROWN owes the following debts, which are to be paid by the firm: —				
		Note favor of James Dinsmore, due Aug. 15.				
		Face of note,	$100.00			
		Interest due on same,	6.00			
	✓	Net amount of note,		$106.00		
		He owes also on %,				
		John Osgood,		72.68		
		Samuel Bradley,		200.00		
		Henry Rolfe,		100.00	478	68
3		Sold R. H. MACY, for cash,				
		10 doz. canned peaches, @	$2.75	$27.50		
		10 " " " @	3.50	35.00		
	✓	20 " " corn, @	2.50	50.00		
		5 " " peas, @	2.50	12.50		
		8 " " lobsters, @	2.00	16.00	141	
5		Sold JOHN OSGOOD,				
		20 bbls. Ohio flour,	$7.00	$140.00		
		8 " Minn. "	$8.00	64.00		
		16 " rye "	$6.00	96.00	300	
	✓	Received in payment,				
		Cash,	$200.00			
		Bal. on %,	100.00			
				$300.00		
					17,925	26

New Hampton, Aug. 7, 1875.

		Amount brought forward,	17,925	26
	√	Bought for cash of JOHN LOGAN & Co, Invoice of Mdse., (See bill of this date on file),	2,762	14
9	√	Sold SAMUEL BRADLEY, on %, 6 bbls. mess pork, @ $22.00 $132.00 431 lbs. sugar-cured hams, @ 17¢, 73.27 286 " " shoulders, @ 10¢, 28.60 362 " bacon, @ 11¢, 39.82	273	69
10	√	R. A. COIT has this day paid cash, to balance %,	273	18
11	√	Paid drayage %, in cash, $17.00 " freight, 31.00	48	
12	√	Sold R. B. LEAVITT on his note at 60 days, 300 bush. oats, @ $1.00, $300.00 200 " rye, @ $1.03, 206.00 400 " white corn, @ 80¢, 320.00	826	
14	√	Sold E. L. BARRY, on %, 1 hhd. Porto Rico molasses, 106 gals., @ 60¢, $63.60 2 hhds. Muscovado molasses, 219 gals., @ 40¢, 87.60 1 hhd. Eng. Is. molasses, 117 gals., @ 50¢, 58.50	209	70
17	√	Bought on our note at 90 days of JOHN LOGAN & Co., Bill of flour and feed, as per bill on file,	2,108	
	√	Paid for insurance,	31	
18	√	Paid JOHN BROWN'S note in favor of James Dinsmore, due this day, Amount due to date,	106	25
			24,563	22

New Hampton, Aug. 21, 1875.

		Amount brought forward,	24,563	22
		SOLOMON HENRY HOLT,		
		400 bush. No. 1 wheat, @ $1.50, $600.00		
		200 " white corn, @ 90¢, 180.00	780	
	√	Rec'd cash, $400.00		
		" his note at 60 days, 380.00		
		$780.00		
24		Discounted our note of the 17th inst., favor of JOHN LOGAN & Co.,		
	√	Face of note, $2,108.00		
		Discount off 86 days, @ 6 %, 30.21		
		Cash paid for note,	2,077	79
25	√	Paid for new lamps for use of store,	18	
27		Sold EDSON P. CHASE, on his note at 10 days,		
		18 bush. beans, @ $2.00, $36.00		
		10 " rye, @ $1.10, 11.00		
	√	1 cheese, 80 lbs., @ 14¢, 11.20	58	20
		R. B. LEAVITT has this day discounted his note of the 12th inst.,		
	√	Face of note, $826.00		
		Discount off 48 days, at 6 %, 6 61		
		Cash received note,	819	39
28		Bought of JOHN LOGAN & Co., on %,		
	√	Mdse., as per invoice,	362	
31		Paid for drayage, $14.00		
		" clerk hire, 98.00		
	√	" gas bill, $19.00	131	
		Total footing of day-book,	28,809	60

EXAMPLE III.

JOURNAL.

New Hampton, N.H., Aug. 2, 1875.

		Dr.		Cr.	
	SUNDRY ACCTS., Dr.,				
123	Real Estate,	4,000			
123	Mdse.,	3,486	16		
124	Bills Receivable,	398			
124	R. A. Coit,	273	18		
124	E. L. Barry,	106	11		
123	To JOHN SMITH,			8,263	45
	The phrase, Sundry Accts., is not the name of an account, but merely shows that there are several debit accounts in the transaction. John Smith puts real estate, Mdse., Bills Receivable, R. A. Coit's account, and E. L. Barry's account, *in* to the business. They should be debited: and, as he receives nothing in return, he should be credited. The common practice, in making an entry like the above, is to put the credit entry in the first space, instead of the last. But many years of continuous teaching have convinced the author that the latter method is preferable. Let the debit account *always* be placed first.				
123	CASH, Dr.,	8,742	13		
123	To John Brown,			8,742	13
123	JOHN BROWN, Dr.	478	68		
	To Sundry Accts.,				
124	" Bills Payable,			106	
124	" John Osgood,			72	68
125	" Samuel Bradley,			200	
125	" Henry Rolfe,			100	
	Sundry Accts. simply shows that there are to follow more than one credit account. John Brown owed these amounts, which were recorded in his own private books. They are now simply transferred to the books of the firm. We have entered the two notes at their present value. When they are paid, we shall enter the amount paid: thus we shall have nothing to do with interest or discount, in the Ledger, which have always been disturbing elements in book-keeping.				
123	CASH, Dr.,	141			
123	To Mdse.,			141	
		17,625	26	17,625	26

New Hampton, N.H., Aug. 5, 1875.

			Dr.		Cr.	
		Amount brought forward,	17,625	26	17,625	26
		SUNDRY ACCTS., Dr.,				
	123	Cash (Rule 1),	200			
	124	John Osgood (Rule 2),	100			
	123	To Mdse.,			300	
7	123	MDSE., Dr.,	2,762	14		
	123	To Cash,			2,762	14
9	125	SAMUEL BRADLEY, Dr.,	273	69		
	123	To Mdse.,			273	69
10	123	CASH, Dr.,	273	18		
	124	To R. A. Coit,			273	18
11	125	SUNDRY ITEMS, Dr.,	48			
	123	To Cash,			48	
12	124	BILLS RECEIVABLE, Dr.,	826			
	123	To Mdse.,			826	
14	124	E. L. BARRY, Dr.,	209	70		
	123	To Mdse.,			209	70
17	125	SUNDRY ITEMS, Dr.,	31			
	123	To Cash,			31	
	123	MDSE., Dr.,	2,108			
	124	To Bills Payable,			2,108	
			24,456	97	24,456	97

New Hampton, N.H., Aug. 18, 1876.

			Dr.		Cr.	
		Amount brought forward,	24,456	97	24,456	97
	124	BILLS PAYABLE, Dr.,	106	25		
	123	To Cash,			106	25
21		SUNDRY ACCTS., Dr.,				
	123	Cash,	400			
	124	Bills Receivable,	380			
	123	To Mdse.,			780	
24	124	BILLS PAYABLE, Dr.,	2,077	79		
	123	To Cash,			2,077	79
25	125	SUNDRY ITEMS, Dr.	18			
	123	To Cash,			18	
27	124	BILLS RECEIVABLE, Dr.,	58	20		
	123	To Mdse.,			58	20
	123	CASH, Dr.,	819	39		
	124	To Bills Receivable,			819	39
28	123	MDSE., Dr.,	362			
	125	To John Logan, & Co,			362	
31	125	SUNDRY ITEMS, Dr.,	131			
	123	To Cash,			131	
		Total footing of Journal,	28,809	60	28,809	60

EXAMPLE III. — LEDGER.

Dr. **JOHN SMITH.** *Cr.*

1875.					1875.				
Aug. 31	To loss and gain L.	126	300	59	Aug. 2	By sundry accts.,	120	8,263	45
Aug. 31	To balance L.,	126	7,962	86					
			8,263	45				8,263	45

Dr. **JOHN BROWN.** *Cr.*

1875.					1875.				
Aug. 2	To sundry accts.,	120	478	68	Aug. 2	By cash,	120	8,742	13
" 31	" loss and gain L.	126	300	59					
Aug. 31	To balance L.,	126	7,962	86					
			8,742	13				8,742	13

Dr. **REAL ESTATE.** *Cr.*

1875.					1875.				
Aug. 2	To John Smith,	120	4,000		Aug. 31	By balance L.,	126	4,000	

Dr. **MDSE.** *Cr.*

1875.					1875.				
Aug. 2	To John Smith,	120	3,486	16	Aug. 3	By cash,	120	141	
" 7	" cash,	121	2,762	14	" 5	" sundry accts.	121	300	
" 17	" bills payable,	121	2,108		" 9	" Sam'l Bradley,	121	273	69
" 28	" J. Logan & Co.,	122	362		" 12	" bills rec.,	121	826	
					" 14	" E. L. Barry,	121	209	70
					" 21	" sundry accts.,	122	780	
					" 27	" bills rec.,	122	58	20
					Aug. 31	By bal. (Inv.) L.,	126	5,731	19
					" 31	" loss and gain L.	126	398	52
			8,718	30				8,718	30

Dr. **CASH.** *Cr.*

1875.					1875.				
Aug. 2	To John Brown,	120	8,742	13	Aug. 7	By mdse.,	121	2,762	14
" 3	" mdse.,	120	141		" 11	" sundry items,	121	48	
" 5	" "	121	200		" 17	" " "	121	31	
" 10	" R. A. Colt,	121	273	18	" 18	" bills payable,	122	106	25
" 21	" mdse.,	122	400		" 24	" " "	122	2,077	79
" 27	" bills rec.,	122	819	39	" 25	" sundry items,	122	18	
					" 31	" " "	122	131	
					Aug. 31	By balance,	126	7,467	70
			10,575	70				10,575	70

Dr. **BILLS RECEIVABLE.** *Cr.*

1875.					1875.				
Aug. 2	To John Smith,	120	398		Aug. 27	By cash,	122	819	39
" 12	" mdse.,	121	826		Aug. 31	By bal. (notes on hand),	126	838	20
" 21	" sundry accts.,	122	380		" 31	" loss and gain (loss on their notes),	126	4	61
" 27	" mdse.,	122	58	20					
			1,662	20				1,662	20

Dr. **R. A. COIT.** *Cr.*

1875.					1875.				
Aug. 2	To John Smith,	120	273	18	Aug. 10	By cash,	121	273	18

Dr. **E. L. BARRY.** *Cr.*

1875.					1875.				
Aug. 2	To John Smith,	120	106	11	Aug. 31	By balance L.,	126	315	81
" 14	" mdse.,	121	209	70					
			315	81				315	81

Dr. **BILLS PAYABLE.** *Cr.*

1875.					1875.				
Aug. 18	To cash,	122	106	25	Aug. 2	By John Brown,	120	106	
" 24	" "	122	2,077	79	" 17	" mdse.,	121	2,108	
Aug. 31	" loss and gain L.	126	29	96					
			2,214					2,214	

Dr. **JOHN OSGOOD.** *Cr.*

1875.					1875.				
Aug. 5	To mdse.,	121	100		Aug. 2	By John Brown,	120	72	68
					Aug. 31	By balance L.,	126	27	32
			100					100	00

Dr. SAMUEL BRADLEY. *Cr.*

1875.					1875.				
Aug. 9	To mdse.,	121	273	69	Aug. 2	By John Brown,	120	200	
					Aug. 31	By balance L.,	126	73	69
			273	69				273	69

Dr. HENRY ROLFE. *Cr.*

1875.					1875.				
Aug. 31	To balance L.,	126	100		Aug. 2	By John Brown,	120	100	

Dr. SUNDRY ITEMS. *Cr.*

1875.					1875.				
Aug. 11	To cash,	121	48		Aug. 31	By loss and gain L.	126	228	
" 17	" "	121	31						
" 25	" "	122	18						
" 31	" "	122	131						
			228					228	

Dr. JOHN LOGAN & CO. *Cr.*

1875.					1875.				
Aug. 31	To balance L.,	126	362		Aug. 28	By mdse.,	122	362	

In this example we keep an account of the cost and receipts of notes and bills, and have no interest or discount account. This we consider the philosophical method. But, as most business men prefer to keep an account of the face value, we have adopted the common method in the following examples.

PROOF-SHEET.

Dr.		Cr.
	John Smith	$8,263.45
$478.68	John Brown	8,742.13
4,000.00	Real Estate	
8,718.30	Merchandise	2,588.59
10,575.70	Cash	5,174.18
1,662.20	Bills Receivable	819.39
273.18	R. A. Coit	273.18
315.81	E. L. Barry	
2,184.04	Bills Payable	2,214.00
100.00	John Osgood	72.68
273.69	Samuel Bradley	200.00
	Henry Rolfe	100.00
228.00	Sundry Items	
	John Logan	362.00
$28,809.60	Equal to the footing of the journal.	$28,809.60

Dr. LOSS & GAIN. *Cr.*

1875.		Led.			1875.		Led.		
Aug. 31	To mdse.,	123	398	53	Aug. 31	By bills payable,	124	29	96
	" bills receivable	124	4	61	Aug. 31	By John Smith (net loss),	123	300	59
	" sundry items,	125	228			" John Brown (net loss),	123	300	59
			631	14				631	14

Dr. BALANCE. *Cr.*

1875.		Led.			1875.		Led.		
Aug. 31	To real estate,	123	4,000		Aug. 31	By Henry Rolfe,	125	100	
	" mdse.,	123	5,731	18		" John Logan,	125	362	
	" cash,	123	5,401	52		" John Smith,	123	7,962	86
	" bills receivable	124	838	20		" John Brown,	123	7,962	86
	" E. L. Barry,	124	315	81					
	" John Osgood,	124	27	32					1
	" Samu'l Bradley	125	73	69					
			16,387	72				16,387	72

We gave examples of private account, and the forms of an inventory, in single entry: so we omit them in this form, in order to simplify the work. The cash-book and the bill-book are omitted in this form, but should be made out by the learner, and corrected by the teacher. The teacher should also see that the pupil perfectly understands this example before he begins the next. This he should do by asking questions similar to those in Ex. I. double entry, and numerous others which will suggest themselves to the competent teacher.

EXAMPLE IV.

Sept. 1, 1875. — This example is a continuation of Ex. III. The business is to be carried on by the same partners, with the same assets and liabilities as shown in the balance account of the last example: viz., —

ASSETS.

Real estate	$4,000.00	
Merchandise	5,731.18	
Cash	5,401.52	
Bills rec.	838.20	
E. L. Barry	315.81	
John Osgood	27.32	
Samuel Bradley	73.69	
Total amount of assets		$16,387.72

LIABILITIES.

Henry Rolfe	$100.00	
John Logan	362.00	
John Smith	7,962.86	
John Brown	7,962.86	
Total amount of liabilities		$16,387.72

This should be written in the day-book as above, and then the following record of transactions carefully written out: —

Sept. 2. — H. G. Drew has this day paid his note in favor of John Smith, in cash, $400.00.

Sept. 3. — Sold Samuel Bradley on %, 16 tubs butter, 821 lbs., @ 30¢; 14 cheese, 632 lbs., @ 21¢; 92 doz. eggs, @ 23¢.

Sept. 4. — Sold John Hall on his note at 10 days, 10 bbls. Boston ex. clear pork, @ $25.00; 10 bbls. No. 2, @ $23.00; 5 bbls. Ohio ex. clear pork, @ $20.00; 18 bbls. Ohio prime pork, @ $15.00.

Sept. 7. — Sold E. L. Barry on %, 10 bbls. crushed sugar, 2,106 lbs., @ 10½¢; 5 bbls. powdered sugar, 1,041 lbs., @ 11¢; 10 bbls. gran. sugar, 2,208 lbs., @ 11¢.

Sept. 9. — Edwin Chase has paid his note of the 27th ult., due this day, in cash, $58.20.

Sept. 10. — Paid John Logan cash to balance %, $362.00.

Sept. 11. — Sold John Osgood on % 17 tubs butter, 567 lbs., @ 21¢.

Sept. 13. — Samuel Bradley has paid cash on %, $400.00.

Sept. 15. — Paid Henry Rolfe cash to balance %, $100.00.

Sept. 17. — Sold E. H. Prescott, for cash, 6 half-chests young hyson tea, 330 lbs., @ $1.00; 4 half-chests oolong tea, 232 lbs., @ 80¢; 10 half-chests Japan, 542 lbs., @ 90¢. John Hall has this day paid his note of the 4th inst., in cash, $850.00.

Sept. 18. — E. L. Barry has paid us cash on %, $600.00.

Sept. 20. — Bought of John Logan for cash, invoice mdse. valued at $3,642.15.

Sept. 22. — Paid for freight, $39.17; for drayage, $14.50.

Sept. 24. — Sold Henry Rolfe 400 bu. salt, @ 50¢. Received of him cash $100, balance on %.

Sept. 25. — Sold E. L. Barry on %, 30 boxes raisins, @ $3.20; 4 bbls. mackerel, @ $17.00; 3 bbls. pic. salmon, @ $18.00; 20 boxes herring, @ 40¢.

Sept. 28. — Sold John Osgood on %, 1 tierce golden sirup, 42 gls., @ 50¢.

Sept. 30. — Paid for clerk-hire, $75.

JOURNAL.

The following is the first entry of the journal. The remaining entries are similar to those in the previous example, and can be written out by the learner without difficulty.

New Hampton, Sept. 1, 1875.

Sundry Accounts Dr. to Sundry Accounts:		
Real Estate	$4,000.00	
Mdse.	5,731.18	
Cash	5,401.52	
Bills Rec.	838.20	
E. L. Barry	315.81	
John Osgood	27.32	
Samuel Bradley	73.69	
To Henry Rolfe		$100.00
" John Logan		362.00
" John Smith		7,962.86
" John Brown		7,962.86

PROOF-SHEET.

DR.		CR.
	John Smith	$7,962.86
	John Brown	7,962.86
$4,000.00	Real Estate	
9,373.33	Mdse	3,398.17
8,813.12	Cash	4,232.82
1,688.20	Bills Rec.	1,308.20
1,120.33	E. L. Barry	600.00
167.39	John Osgood	
473.87	Samuel Bradley	400.00
200.00	Henry Rolfe	100.00
362.00	John Logan	362.00
128.67	Sundry Items	
$26,326.91	Equal footing of journal.	$26,326.91

Dr. LOSS AND GAIN. *Cr.*

1875.				1875.			
Sept. 30	To sundry items %	128	67	Sept. 30	By mdse.,	300	01
Sept. 30	" John Smith,	85	67				
" "	" John Brown,	85	67				
		300	01			300	01

Dr. BALANCE. *Cr.*

1875.				1875.			
Sept. 30	To real estate,	4,000		Sept. 30	By John Smith,	8,048	53
" "	" mdse.,*	6,275	17	" "	" John Brown,	8,048	53
" "	" cash,	4,580	30				
" "	" bills rec.,	380					
" "	" E. L. Barry,	520	33				
" "	" John Osgood,	167	39				
" "	" Samuel Bradley,	73	87				
" "	" Henry Rolfe,	100					
		16,097	06			16,097	06

* Assumed

EXAMPLE V.

In the four preceding examples, we have given what we consider the simplest and most philosophical method of double-entry book-keeping.

But, as some may prefer the usual method, we now give, instead of the two general rules which we deem sufficient, the following specific rules. In the remaining examples we use an expense, interest, and discount account.

RULES FOR JOURNALIZING.

1. Credit each proprietor with his investment at the commencement of business, and with his additional investments.

Debit him with his debts assumed, and with all sums withdrawn.

2. Debit persons, firms, banks, railroads, and all other parties, with the balance due us at opening the books, and with what value they *receive* from us for which they do not pay.

Credit the same with the balance due from us at opening, and for all value received of them for which we do not pay.

3. Debit cash % with money on hand at opening, and money received. Credit cash % with money paid out.

4. Debit bills receivable % with the face value of notes and bills receivable which are on hand at opening, and those afterward received. Credit the % with the same when disposed of.

5. Credit bills payable % with the face value of notes and bills payable which are outstanding when the books are opened, and those afterward issued. Debit the % with the same when paid.

6. Debit merchandise, real estate, bank stock, &c., under some proper title, with the inventory of property on hand at opening, and with the cost of that which is bought. Credit the same % with what is received from sales.

7. Debit interest % with what is due to us on written promises to pay, above the face value, at opening, and what is paid by us for the use of money. Credit interest % with what is due from us at opening, and what is paid us for the use of money.

8. Credit discount % with all deductions made on our written promises to pay or those of others, when they come into our hands. Debit the same % with all deductions on the same when they pass out of our possession.

9. Debit expense % with all incidental expenses (such as rents, fuel, clerk-hire, stationery, &c.), incurred in carrying on the business. Credit the same % with all returns from the same.

10. Debit loss and gain % with all losses. Credit it with all gains.

These rules may be condensed thus: —

Debit what comes *into* the concern, and credit what *brings* it in. Credit what goes *out* of the concern, and debit what *carries* it out.

We have previously given examples and minute explanations for closing a ledger. We now give specific rules which are sufficient for closing any ordinary ledger.

RULES FOR CLOSING A LEDGER.

1. Open a loss and gain account and a balance account, if they have not already been opened.

2. Close all personal accounts, such as persons, banks, corporations, &c., into balance %. If the debit side is less than the credit, write "To balance" for the difference on the debit side. If the credit side is less, write "By balance" on the credit side for the difference. Then carry the balance to the opposite side of the bal. %, writing "To" or "By" the name of the % from which it is transferred.

3. Credit cash % "By balance" for the amount of money on hand, and carry the same to the opposite side of bal. %. If this does not close the %, it shows that there has been some mistake, which must be closed into loss and gain % if it cannot be rectified.

4. Credit mdse. % "By balance" with the cost of goods

unsold, as per inventory, and carry the same to the debit side of bal. %, entering it "To mdse."

If the % does not then close, write "To" or "By loss and gain," on the smaller side for the difference, carry the same to the opposite side of loss and gain %.

Close accounts with real estate, bank stock, and every species of property with which a separate % is kept, in the same manner.

5. Debit interest % "To balance" with the amount of interest due other parties *from* us, and credit the same % "By balance" with the amount of interest due *to* us from other parties, as shown by inventory of unpaid interest, and carry the same to the opposite side of bal. %. Then close the % "To" or "By Loss & Gain" as mdse. % is closed.

6. Close expense, discount, drayage, commission, insurance, storage, advertising, and all other accounts representing losses or gains, "To" or "By loss and gain," and carry the difference to the opposite side of loss and gain %.

7. Close loss and gain % into proprietor's %. If the Dr. side is less than the Cr., write "To" each proprietor's name for the amount of his net gain. If the credit side is less than the debit, write "By" each proprietor's name for the amount of his net loss. Carry these amounts to the opposite side of the proprietors' acc'ts.

8. Close the proprietor's % into bal. %. If the Dr. side is smaller, write "To bal." for the amount of the proprietor's net capital. If the Cr. side is smaller, write "By bal." for the amount of his net insolvency. Carry the amount to the opposite side of bal. %.

9. The Dr. side of the bal. % will now show the total assets; and the Cr. side the total liabilities. These must be equal, if the ledger has been closed correctly.

All entries when *first made*, in closing a ledger, should be written with *red ink;* when they are *transferred*, with *black* ink.

JOURNAL DAY-BOOK.

We now introduce the Journal Day-Book, which will save considerable labor, and is much more convenient. Beginners should keep the two books entirely separate until each is perfectly understood; but the student who has thoroughly mastered the preceding pages will find no difficulty in uniting the Day-Book and Journal at this stage of his progress.

The book is ruled like any other journal, and will need no further explanation.

AGREEMENT.

A. B. Meservey & C. D. Thyng have this day formed a partnership with the firm title "Meservey & Thyng," for the purpose of engaging in a general furniture and carpet business in the village of New Hampton. Each partner invests $5,000 cash, and agrees to spend his entire time in the business. The profits are to be divided equally. If either partner wishes to terminate the partnership, he shall give six months' notice to the other partner.

BANK ACCOUNT.

Usually money in bank is considered as so much cash on hand, and no entry is made in the day-book when money is deposited or checks are drawn. But in Examples V. and VI. an account is kept with the bank, in order to show how it may be done if desirable.

New Hampton, N.H., July 2, 1877.

	CASH, Dr. To Sundry Accts.,	10,000	00		
	To A. B. Meservey. For amount invested,			5,000	00
	" C. D. Thyng. For am't invested,			5,000	00
	N. H. COL. BANK, Dr.	10,000	00		
	To Cash. For amount deposited,			10,000	00
	(See deposit check and pass book).				
3	REAL ESTATE, Dr. To Sundry Accts.				
	Bought of E. H. Prescott, his store and lot (see deed),	4,600	00		
	To N. H. Col. Bank. Paid per check,			2,000	00
	" Bills payable. For note at three months, secured by mortgage, (See check and mortgage.)			2,600	00
	MERCHANDISE, Dr. To Sundry Accounts,	7,246	28		
	Bought of Higgins Brothers, Manchester, the whole stock of furniture and carpets, which they had in their branch store in this village.				
	(Inventory omitted.)				
	To N. H. Col. Bank. Paid per check,			4,000	00
	" Bills payable. Note at 15 days, $2,000.00			3,246	28
	Acceptance favor of Geo. A. Emerson at 10 days, 1,246.28				
5	CASH, Dr. Sold F. P. Moulton,	94	50		
	28 yds. Carpeting, @ $1.00, $28.00				
	1 Study Chair, 8.00				
	4 Office Chairs, @ $3.00, 12.00				
	1 Study Table, 4.50				
	1 Roll-top Desk, 42.00				
	To Mdse. As above,			94	50
	Amount carried forward,	31,940	78	31,940	78

New Hampton, July 6, 1877.

		Amount brought forward,	31,940	78	31,940	78
		BILLS RECEIVABLE, Dr. Sold T. H. Heath,	137	50		
		On his note @ 10 days, 1 Parlor Suite.				
		To Mdse. As above,			137	50
		EXPENSE, Dr. Paid for set of books for store,	36	25		
		To Cash,			36	25
7		INSURANCE, Dr. Paid Hartford Insurance Co.,	36	00		
		Prem. on $3,500 at one per cent, for insuring store, $35.00				
		Policy, 1.00				
		To N. H. Col. Bank. Check No. 3,			36	00
9		F. W. SANBORN, Dr. Sold him on %, at 30 days,	30	00		
		1 Portable Bookcase, $18.00				
		1 Standing Desk, 12.00				
		To Mdse. As above,			30	00
10		SUNDRY ACCOUNTS. Dr. Sold Geo. H. Dickerman: —				
		1 Turkish Cabrio Suite, $231				
		1 Black Walnut Chamber Set, 175				
		1 Eastlake Gothic Suite, 110				
		$516				
		Cash. ⅓ paid on delivery,	172	00		
		F. W. Sanborn, order on him for ⅓,	172	00		
		Geo. H. Dickerman, balance on %, at 10 days,	172	00		
		To Mdse. As above,			516	00
		MDSE., Dr. To Sundry Accounts,	2,420	38		
		Bought of Higgins Brothers (Manchester), invoice of furniture, as per bill.				
		To Cash. Amount paid them,			200	00
		" N. H. Col. Bank. Check, No. 4,			1,000	00
		" Higgins Brothers. Balance on %, at 10 days,			1,220	38
		Amount carried forward,	35,116	91	35,116	91

New Hampton, July 12, 1877.

	Amount brought forward,	35,116	91	35,116	91
	SUNDRY ACCOUNTS, Dr. To Sundry Accounts. C. D. Thyng has this day made the following additional investment, for which he is to receive 7 % interest out of the undivided profits at the end of the year.				
	Cash. Paid into the concern by him,	400	00		
	Bills Rec. For face value of H. A. Snow's note, dated July 9, at 30 days,	500	00		
	N. H. Col. Bank. For check deposited to our credit,	100	00		
	To Discount. On H. A. Snow's note, 30 days at 7 per cent,			2	92
	" C. D. Thyng. His additional investment,			997	08
	SUNDRY ACCOUNTS, Dr. Discounted H. A. Snow's note, at the N. H. Col. Bank.				
	Discount. 30 days @ 7 %,	2	92		
	N. H. Col. Bank. Net proceeds placed to our credit,	497	08		
	To Bills Rec. Face of note,			500	00
	INSURANCE, Dr. Paid Ætna Ins. Co., Prem. on $5,000 for two years, at 2 %, for insuring whatever goods may be in our store.	100	00		
	To N. H. Col. Bank. Per check,			100	00
13	N. H. INST., Dr. Sold on %.	175	00		
	11 School Tables, @ 10.50, 115.50				
	99 " Chairs, @ 50, 49.50				
	10 Stools, @ 1.00, 10.00				
	To Mdse. As above, 175.00			175	00
14	EXPENSE, Dr. Paid for oil, postage, envelopes, &c.,	14	25		
	To Cash. Per memorandum book,			14	25
	Amount carried forward,	36,906	16	36,906	16

New Hampton, July 14, 1877.

		Amount brought forward,	36,906	16	36,906	16
		BILLS PAYABLE, Dr. To Sundry Accounts,	2,000	00		
		Discounted our note favor of Higgins Broths., due July 21.				
		To Discount. 6%, on 2,000 for 7 days,			2	33
		" N. H. College Bank. Balance, per check,			1,997	67
16		BILLS PAYABLE, Dr. Paid our acceptance, favor of George A. Emerson,	1,246	28		
		To N. H. Col. Bank. Per check,			1,246	28
17		SUNDRY ACCOUNTS, Dr. To Sundry Accounts. The referees selected to estimate the damage caused by the fire on the 15th inst. have reported their decision as follows:—				
		Hartford Ins. Co., for damage on store,	700	00		
		Ætna Ins. Co., for damage on goods,	1,342	00		
		To Real Estate, loss as above,			700	00
		" Mdse., loss on goods,			1,342	00
18		N. H. COL. BANK, Dr. To Sundry Accounts,	2,042	00		
		Received check for amount of loss on store and goods, which we have deposited,				
		To Hartford Ins. Co., for loss on store,			700	00
		" Ætna Ins. Co., for loss on goods,			1,342	00
19		NEW HAMPTON COL. BANK, Dr.. T. H. Heath has this day paid his note of the 6th inst., at the bank.	137	50		
		To Bills Receivable. Face of note.			137	50
20		CASH, Dr. Received of him.	172	00		
		To Geo. H. Dickerman, to balance %,			172	00
		Amount carried forward,	44,545	94	44,545	94

New Hampton, July 20, 1877.

	Amount brought forward,	44,545	94	44,545	94
	CASH, Dr. Sold E. C. Lewis, 1 Double Back Parlor Suite.	175	00		
	To Mdse. As above,			175	00
21	SUNDRY ACCOUNTS, Dr. To Sundry Accounts. F. W. Sanborn, sold him on %, 1 Reading Chair,	4	50		
	Cash. Received of him on %,	31	62		
	To Mdse. As above.			4	50
	" F. W. Sanborn, for cash on %,			31	62
	HIGGINS BROS., Dr. Paid them to balance %,	1,220	38		
	To N. H. Col. Bank. Per check,			1,220	38
	CASH, Dr. Received from Treasurer,	175	00		
	To N. H. Inst. To balance %,			175	00
	N. H. COL. BANK, Dr.,	900	00		
	To Cash. Deposited,			900	00
23	SUNDRY ACCOUNTS, Dr. Sold Daniel S. Jones (Bristol), A bill of goods slightly damaged by fire (omitted to save space).				
	Cash. ½ paid down,	241	54		
	Bills Rec. ½ note at 30 days,	241	54		
	To Mdse. For above invoice,			483	08
26	GEO. H. DICKERMAN, Dr. Paid his order,	41	38		
	Favor of Albert Barnes, in goods,				
	To Mdse. From our store,			41	38
	Amount carried forward,	47,576	90	47,576	90

New Hampton, July 27, 1877.

		Amount brought forward,	47,576	90	47,576	90
		N. H. COL. BANK STOCK, Dr. Bought of M. H. Merrow, 10 shares @ 98 %.	980	00		
		To N. H. Col. Bank. Paid per check,			980	00
28		REAL ESTATE, Dr. Paid for repairing store, which was damaged by fire, July 15,	586	00		
		To N. H. Col. Bank. Per check,			586	00
		F. W. SANBORN, Dr. Sold him on %,	64	00		
		1 Sofa, $46				
		1 Lounge, 18				
		To Mdse. As above,			64	00
30		MDSE, Dr. Bought of Higgins Bros., On our note at 20 days,	364	00		
		To Bills Payable. Invoice Mdse. (omitted),			364	00
31		EXPENSE, Dr. Per Expense Book,	171	83		
		Paid Clerk Hire, $60.00				
		" for Drayage, 33.50				
		" Freight Bill, 61.12				
		for Sundries, 17.21				
		To N. H. Col. Bank. Per check,			171	83
		Total footing,	49,742	73	49,742	73

The above journal day-book should be carefully written in the blank journal.

The journal entries should be written in a heavy bold hand, the day-book entries in a small, light hand. The cash-book, bill-book, ledger, pass-book, and deposit account, should also be made out. If the work is correctly performed, the results will correspond with the following proof-sheet.

PROOF-SHEET.

Dr.		Cr.
	A. B. Meservey	$5,000.00
	C. D. Thyng	5.997.08
$11,461.66	Cash	11,150.50
13,676.58	N. H. Col. Bank	13,338.16
5,186.00	Real Estate	700.00
3,246.28	Bills Payable	6,210.28
10,030 66	Mdse.	3,062.96
879.04	Bills Receivable	637.50
222.33	Expense	
136.00	Insurance	
270.50	F. W. Sanborn	31.62
213.38	Geo. H. Dickerman	172.00
1,220.38	Higgins Brothers	1,220.38
2.92	Discount	5.25
175.00	N. H. Inst.	175.00
700.00	Hartford Ins. Co.	700.00
1,342.00	Ætna Ins. Co.	1,342.00
980.00	N. H. College Bank Stock	
$49,742.73	Like footings of journal.	$49,742.73

INVENTORY OF UNSOLD PROPERTY, JULY 31, 1877.

Real Estate, estimated value	$4,600.00
Mdse. (assumed)	6,698.38
10 Shares N. H. Col. Bank Stock	1,000.00
	$12,298.38

Dr. LOSS AND GAIN. *Cr.*

1877.				1877.			
July 31	To expense,	222 33		July 31	By real estate,	114 00	
" 31	" insurance,	136 00		" 31	" discount,	2 33	
" 31	" mdse.,	269 32		" 31	" N. H. Col. bank stock,	20 00	
				" 31	" A. B. Meservey,	245 66	
				" 31	" C. D. Thyng,	245 66	
		627 65				627 65	

Dr. BALANCE ACCOUNT. *Cr.*

1877.				1877.			
July 31	To cash,	311 16		July 31	By bills payable,	2,964 00	
" 31	" N. H. Col. bank,	338 42		" 31	" A. B. M.,	4,754 34	
" 31	" real estate,	4,600 00		" 31	" C. D. T.,	5,751 42	
" 31	" mdse.,	6,698 38					
" 31	" bills receivable,	241 54					
" 31	" F. W. Sanborn,	238 88					
" 31	" G.H.Dickerman,	41 38					
" 31	" bank stock,	1,000 00					
		13,469 76				13,469 76	

PASS-BOOK.

Dr. NEW HAMPTON COLLEGE BANK TO MESERVEY & THYNG. *Cr*

1777.				1877.			
July 2	To cash,	10,000	00	July 3	By check No. 1,	2,000	00
" 6	" note, $137.50,	137	50	" 3	" " " 2,	4 000	00
" 12	" check,	100	00	" 7	" " " 3,	36	00
" 12	" discount,	497	08	" 11	" " " 4,	1,000	00
" 18	" check,	2,042	00	" 12	" " " 5,	100	00
" 21	" cash,	900	00	" 14	" " " 6,	1.997	67
				" 16	" " " 7,	1.246	28
				" 21	" " " 8,	1,220	38
				" 27	" " " 9,	980	00
				" 28	" " " 10,	586	00
				" 31	" " " 11,	171	83
				" 31	" balance,	338	42
		13,676	58			13,676	58
Aug. 1	To balance,	338	42				

DEPOSIT ACCOUNT.

July 2	Deposited,	10,000	00		*Amount forward,*	1,463	41
" 3	Check No. 1,	2,000	00	July 16	Check No. 7,	1,246	28
		8,000	00			217	13
" 3	Check No. 2,	4,000	00	" 18	Deposited,	2,042	00
		4,000	00			2,259	13
" 7	Check No. 3,	36	00	" 19	T. H. Heath's note,	137	50
		3,964	00			2,396	63
" 10	Check No. 4,	1,000	00	" 21	Check No. 8,	1,220	38
		2,964	00			1,176	25
" 12	Deposited,	100	00	" 21	Deposited,	900	00
		3,064	00			2.076	25
" 12	H. A. Snow's note discounted,	497	08	" 27	Check No. 9,	980	00
		3,561	08			1,096	25
" 12	Check No. 5,	100	00	" 28	Check No. 10,	586	00
		3,461	08			510	25
" 13	Check No. 6,	1,997	67	" 31	Check No. 11,	171	83
		1,463	41			338	42

To E. H. PRESCOTT.

For Store and Lot.

Date, July 3, 1877.

$2,000.00.

No. 1.

$2,000.00. *New Hampton, N.H., July* 3, 1877.

New Hampton College Bank.

Pay to ELIJAH H. PRESCOTT, *or bearer, Two Thousand* $\frac{00}{100}$ *Dollars.*

No. 1. MESERVEY & THYNG.

To HIGGINS BROS.

For Merchandise.

Date, July 3, 1877.

$4,000.00.

No. 2.

$4,000.00. *New Hampton, N.H., July* 3, 1877.

New Hampton College Bank.

Pay to HIGGINS BROS. (*Manchester*) *or order, Four Thousand* $\frac{00}{100}$ *Dollars.*

No. 2. MESERVEY & THYNG.

DEPOSITED BY

MESERVEY & THYNG,

IN

NEW HAMPTON COLLEGE BANK,

NEW HAMPTON, N.H., July 2, 1877.

Bank bills,	5,000	00
Checks,	5,000	00
"	10,000	
"		
"		
"		
"		

DEPOSITED BY

MESERVEY & THYNG,

IN

NEW HAMPTON COLLEGE BANK,

NEW HAMPTON, N.H., July 12, 1877.

Bank bills,		
Checks,	100	00
"		
"		
"		
"		
"		

[CERTIFICATE OF STOCK.]

No. 71. 10 Shares.

THE NEW HAMPTON COLLEGE BANK

OF NEW HAMPTON. NEW HAMPSHIRE.

CAPITAL, $800,000. SHARES $100 EACH.

This certifies *that* MESSRS. MESERVEY & THYNG *are entitled to* TEN SHARES *in the Capital Stock of*

THE NEW HAMPTON COLLEGE BANK,

transferable only on the Books of the Bank, in person or by attorney, on the surrender of this Certificate.

New Hampton, N. H., July 27, 1877.

..... Cashier, ... President,

EXAMPLE VI.

Manchester, N.H., Aug. 1, 1877. — Edward F. Higgins and Hadley F. Higgins have this day entered into partnership, under the firm name and legal title of "Higgins Brothers," as dealers in crockery, furniture, bedding, carpets, feathers, &c., at 1,054 Elm Street, Manchester, N.H. Each proprietor is to receive an equal share of the profits, and sustain an equal share of the loss. Each partner invests cash $10,000.00.

Deposited in Amoskeag Bank, $15,000.00.

Paid for rent of store, one month in advance, per check, $100.00.

(All our banking business is done with the Amoskeag Bank.)

Bought of J. P. George his entire stock of goods at 71 % on the original bills, exclusive of freight and drayage bills.

Total footings of inventory, $13,784.22. Gave in payment, cash, $3,000.00; check, $3,000.00; note at 90 days, $3,786.80.

Paid for set of books, for use of store, $37.50.

Paid per check, Hartford Ins. Co., for insuring $8,000.00 on goods in store @ 1½ %, $120.00.

Aug. 2. — Sold N. S. Bean, for cash: —

1 No. 2. B. W. bedstead	$22.00	
1 Dressing case (18 × 36 mirror)	40.00	
Excelsior	.40	
Glass case	.50	
Marble box	.75	
4 Mats, 16 yds., at 12¢	1.92	
		$65.57

(The learner should enter these and all similar bills in this example in full, in the Journal Day-book.)

Aug. 3. — Bought per check from Paine's manufactory, 141 Friend Street, Boston, bill furniture amounting to $4,128.16.

Aug. 4. — Sold W. H. Frye, Rochester, on %, at 30 days: —

3 doz.	U. C. dining chairs, in wood	@ $9.50	$28.50
1 "	Douglass wood-seat chairs, in wood		10.00
½ "	Child's folding carriages	@ 48.00	4.00
8 "	Common wood chairs	@ 5.00	40.00
3 "	Rocking chairs	@ 15.50	46 50
15 "	Five spin. chestnut W. S chairs	@ 6.00	90.00
			$219.00
	Discount 5 %		10.95
			$208.05

Aug. 6. — Bought per check 15 shares Concord Railroad stock, at $71.00 per share.

Aug. 7. — Sold Aretas Blood, on his note at 30 days: —

24 sets, 1⅛, No. 2 bed casters	@	13¢	$3.12
40 " 2, " 1 " "	@	17¢	6.80
24 " 2, " 2 " pt. "	@	23¢	5.52
18 " " 3 plate "	@	11¢	1.98
18 " J. H. P. W. "	@	13¢	2.34
6 " Brass H. & W. casters	@	35¢	2.10
Discount, 40 %.			
Add carting, 40 cents.			

13.52

Aug. 8. — Discounted our note, favor J. P. George, of the 1st inst., 86 days, @ 6 %. Paid the net proceeds per check.

Aug. 10. — Sold N. H. Inst., for cash: —

100 school desks	@	$4.50	$450.00
100 high stools	@	1.00	100.00

Aug. 10. — Sold Washington Robinson, Concord, on %, at 30 days: —

4 French husk mattresses	@	$3.50	$14.00
4 " " " soft top " "	@	4.00	16.00
1 " " " " "			3.00
2 Burlaps	@	1.50	3.00

Aug. 11. — The Concord Railroad Co. have this day paid cash for damages on mdse. forwarded by their road, $39.80.

Aug. 12. — Sold W. J. Dudley for cash: —

1 No. 1 open-top ash refrigerator	$17.00
1 " 4 open-front " "	30.00
Less 40 % discount.	

Aug. 13. — Sold Charles G. Kelley, Gilmanton: —

1 stone china dinner set (Edwards), 116 pieces	$10.50
1 black walnut chamber set	91.00
25 yards carpeting (Lowell), @ $1.10	27.50
On his note at 60 days.	

Aug. 14. — Sold Hon. E. A. Straw per check, which we have deposited: —

1 Globe sideboard, 4 ft.	$70.00
Discount, 10 %.	

Aug. 18. — Sold Rev. George M. Park: —

1 No. 45 Eastlake side-board, 4½ ft.	$50.00
1 " 1 black walnut extension table, 8 ft. . . .	8.80
1 " 10 Eng. draw secretary	45.00
8 dining chairs, in leather, @ $1.50	12.00

Received, ¼ cash, ¼ note at 60 days.

Discounted the above note, discount off 63 days at 6 %.; proceeds to our credit in the bank.

Aug. 20. — Sold to steamer "Lady of the Lake," a bill of crockery, carpets, and furniture, amounting to $436.25, on %, at 60 days.

Aug. 23. — Bought of Hon. Frederick Smyth, a store-house on Blank Street, No. 61, for $3,500. Paid per check, $1,000; balance on note at 6 months, secured by mortgage.

(The learner will fill out all the papers, note, deed, and mortgage, making his own boundaries, and supplying the necessary names.)

Paid cash for insurance on same, 1 per cent on $2,800, $28.00.

Aug. 24. — Deposited in bank, $2,000.

Aug. 25. — The loss on mdse. caused by fire has this day been adjusted, and the agent has paid us cash $3,000.

Aug. 28. — Sold W. H. Frye, Rochester, a bill of mdse. amounting to $91.42, on %, at 10 days.

Aug. 31. — Paid gas-bill, clerk-hire, freight, drayage, and sundry other expenses, per expense-book, $321.13.

Loss and Gain.

Dr.					*Cr.*		
To expense,		458	63	By mdse.,		974	72
" insurance,		148	00	" discount,		53	67
" E. F. H.,		210	88				
" D. F. H.,		210	88				
		1,028	39			1,028	39

Balance.

Dr.				*Cr.*		
To cash,	3,354	84	By bills payable,	2,500	00	
" bank,	3,974	61	" E. F. H.,	10,210	88	
" W. H. Frye,	299	47	" H. F. H.,	10,210	88	
" bills receivable,	142	52				
" Conc'd R.R. stk,	1,065	00				
" W. Robinson,	36	00				
" Lady of Lake,	436	25				
" real estate,	3,500	00				
" mdse.,	10,113	07				
	22,921	76		22,921	76	

PROOF-SHEET.

Dr.		Cr.
	E. F. Higgins	$10,000.00
	H. F. Higgins	10,000 00
$23,741.47	Cash	20,386.63
17,120.29	Amoskeag Bank	13,145.68
458.63	Expense	
13,914.96	Mdse.	4,776.61
3,786.80	Bills Payable	6,286.80
148.00	Insurance	
299.47	W. H. Frye	
200.42	Bills Receivable	57.90
1,065.00	Concord R. R. Stock	
.61	Discount	54.28
36.00	Washington Robinson	
436.25	Lady of the Lake	
3,500.00	Real Estate	
$64,707.90		$64,707.90

COMMISSION BUSINESS.

A SHIPMENT is mdse. consigned to an agent to be sold on % and risk of the shipper.

A JOINT SHIPMENT is mdse. consigned to an agent to be sold on joint % and risk of two or more parties.

A CONSIGNMENT is mdse. received by an agent to be sold on % and risk of the shipper.

A JOINT CONSIGNMENT is mdse. received by an agent to be sold on joint % and risk of two or more parties.

THE CONSIGNOR is the party who consigns the mdse.

THE CONSIGNEE is the party to whom the mdse. is consigned.

COMMISSION is the compensation which an agent receives for buying or selling.

A COMMISSION MERCHANT is one whose business is buying and selling mdse. on commission.

COMMISSION BUSINESS is the business done by a commission merchant.

Various forms have been employed by book-keepers in keeping accounts of shipments and consignments, but we have adopted the form which we consider best calculated to meet the wants of common commission merchants. It is simple, practical, and easily understood. The only book required which has not already been explained is the Receiving-Sales Book. This will be readily comprehended by the learner.

RULES FOR JOURNALIZING AND CLOSING SHIPMENTS AND CONSIGNMENTS.

Debit Shipment % for the whole cost, credit it for the net proceeds, and close the difference into loss and gain %.

Debit Consignment % for expenses paid by the consignee, credit it for receipts from sales. In closing, debit the consignment for the consignee's charges and the consignor's net proceeds to balance the %. Carry the closing entries to the opposite sides of the proper accounts.

EXAMPLE VII.

JOURNAL DAY-BOOK.

Boston, Mass., Jan. 1, 1881.

		CASH, Dr. To A. B. Meservey, Amount invested.	10,000	00	10,000	00
		EXPENSE, Dr. To Cash, Paid for rent of store, 2 months in advance, $300.00 Paid for set of books, 25.00 " " stationery, &c., 8.23 $333.23	333	23	333	23
		FRANZ BAUZ'S CON., Dr. To Cash, Paid transportation charges.	116	00	116	00
		INSURANCE, Dr. To Cash, Paid 1% on $3,000, for 1 year, on whatever goods may be in our store,	30	00	30	00
		ADVERTISING, Dr. To Cash, Paid "Boston Advertiser" 4 months in advance.	40	00	40	00
4		CASH, Dr. To Franz Bauz's Con., Rec'd of Whitcher Brothers.	650	00	650	00
6		AVERILL, STERNS, & Co.'s CON., Dr. To Cash. Paid freight and drayage.	237	51	237	51
8		MDSE., Dr. To Cash, Bought of John J. Hall, to be delivered at our store, 12 tons winter wheat-shorts, @ $22.50, $270.00 2 cars corn, 831 bush., @ 61¢, 506.91 $776.91	776	91	776	91
10		G. G. BROWN & Co., Dr. To Franz Bauz's Consignment Sold them on % at 10 days.	650	00	650	00
		Amount carried forward,	12,833	65	12,833	65

Boston, Jan. 11, 1881.

		Amount brought forward,	12,833	65	12,833	65
		Shipment to Moss Brothers, } Dr. To Mdse., Shipped them per B. and M. R.R., to Gardiner, Me., to be sold on our %, 1 car shorts, 12 tons, @ $22.50.	270	00	270	00
13		Hodgdon & Pollard's Con., Dr. To Cash, Paid express.	6	75	6	75
		Franz Bauz, Dr. To Cash, Net proceeds of his consignment of the 1st inst.	1,143	37	1,143	37
15		Woodworth, Dodge, & Co., Dr. To Averill, Sterns, & Co.'s Con., Sold them on % at 10 days.	472	99	472	99
17		Cash, Dr. To Hodgdon & Pollard's Consignment, Sold George A. Goodwin.	49	00	49	00
		Shipment to Gorden & Drew, } Dr. To Mdse., Shipped them per B. and M. R.R., to Andover, to be sold on our %, 2 cars corn, 831 bush., @ 61¢.	506	91	506	91
19		Cash, Dr. To { Shipment to Moss Brothers, Rec'd net proceeds of shorts shipped them the 11th inst.	286	91	286	91
20		Cash, Dr. To G. G. Brown & Co., To bal. %.	650	00	650	00
22		Brailey & Oakes's Con., Dr. To Cash, Paid freight and drayage.	47	50	47	50
		Amount carried forward,	16,267	08	16,267	08

Boston, Jan. 25, 1881.

		Amount brought forward,	16,267	08	16,267	08
		BILLS RECEIVABLE, Dr. To Hodgdon & Pollard's Consignment, Sold James R. Hoit on his note at 10 days.	160	58	160	58
		CASH, Dr. To Woodworth, Dodge, & Co., To balance %.	472	99	472	99
27		MDSE., Dr. To James Wilson & Co., Bought on % at 30 days, 2 cars oats, 881 bush., @ 46¢, $405.26 1 car flour, "Calla Lily," 100 bbls., @ $7, 700.00 ——— $1,105.26	1,105	26	1,105	26
28		CASH, Dr. To { Averill, Sterns, & Co.'s Con., Sold Minot and Fowler.	462	56	462	56
29		CASH, Dr. To { Shipment to Gorden & Drew, Rec'd net proceeds of corn shipped them the 17th inst.	491	18	491	18
31		Shipm't to SLEEPER & WILLIAMS, Dr. To Mdse., Shipped them, per B. & M. R.R., to Exeter, N.H., 1 car oats, 436 bush., @ 46¢.	200	56	200	56
		Total footing,	19,160	21	19,160	21

RECEIVING-SALES BOOK.

Most book-keepers use a receiving-book and a sales-book, but we see no good reason why the two books may not be combined. When a consignment is received, an itemized account of it is made on the Dr. side of the receiving-sales book, together with the charges paid; and an entry of the charges is made in the journal day-book. When a sale is effected, an itemized account is made on the Cr. side of the receiving-sales book, and a condensed entry of the same is placed in the journal day-book, as before. When the consignment is all sold, the charges for storage, advertising, insurance, commission, &c., and the consignor's net proceeds for enough to balance the account, are entered on the Dr. side. Similar closing entries are also made in the consignment % in the ledger. Thus all the *bona fide* transactions are recorded in the journal day-book; and the receiving-sales book is considered a secondary book, used merely for convenience in keeping an account of each separate consignment. Some book-keepers prefer to post directly from the receiving-sales book, but the advantages of such a method are not equal to the disadvantages. By carefully examining the forms given, the learner will readily understand the receiving-sales book without further explanation.

RECEIVING-SALES BOOK.

Franz Bauz's Consignment.

Receipts.

1881.						
Jan.	1	**Received, per Boston and Albany R.R., from Franz Bauz, St. Louis, Mo., 100 bbls. XXX flour, 100 bbls. XXXX flour.**				
		Paid transp't'n charges, 200 bbls., @ 58¢,			**116**	**00**
Jan.	10	Charged for storage, 200 bbls., @ 2¢,	4	00		
		" " advertising,	2	50		
		" " insurance, ⅛% on sales,	1	63		
		" " commission, 2½% on sales,	32	50	40	63
		Franz Bauz's net proceeds,			1,143	37
					1,300	**00**

Averill, Sterns, & Co.'s Consignment.

1881.						
Jan.	6	**Received, per N. Y. and N. E. R.R., from Averill, Sterns, & Co., Peoria, Ill., 4 cars mixed corn, 1,638 bush.**				
		Paid freight and drayage, 1,638 bush., @ 14½¢,			**237**	**51**
Jan.	28	Charged for storage, 1,638 bush., @ ½¢,	8	19		
		" " advertising,		75		
		" " insurance, ⅛% on sales,	1	17		
		" " commission, 2½% on sales,	23	39	33	50
		Averill, Sterns, & Co.'s net proceeds,			664	54
					935	**55**

RECEIVING-SALES BOOK.

FRANZ BAUZ'S CONSIGNMENT.

1881.					Sales.	
Jan.	4	Sold Whitcher Brothers, Stoneham, for cash,				
		50 bbls. XXX flour, @ $6,	300	00		
		50 bbls. XXXX flour, @ $7,	350	00	650	00
"	10	Sold G. G. Brown & Co., Bristol, N.H., on % at 10 days,				
		50 bbls. XXX flour, @ $6,	300	00		
		50 bbls. XXXX flour, @ $7,	350	00	650	00
					1,300	00
		Credited as cash Jan. 13.				

AVERILL, STERNS, & CO.'S CONSIGNMENT.

1881.						
Jan.	15	Sold Woodworth, Dodge, & Co., Concord, N.H., on % at ten days,				
		2 cars mixed corn, 812 bush., @ 58½¢,			472	99
"	28	Sold Minot & Fowler, Lawrence, for cash,				
		2 cars mixed corn, 826 bush., @ 56¢,			462	56
					935	55
		Credited as cash Feb. 4.				

HODGDON & POLLARD'S CONSIGNMENT. Receipts.

1881.						
Jan.	13	**Received, per Boston and Lowell R.R., from Hodgdon & Pollard, Ashland, N.H.**				
		10 tubs butter, 518 lbs. net,				
		4 cases eggs, 196 doz.				
		Paid express,			**6**	**75**
Jan.	25	Charged for storage,		30		
		" " advertising,		50		
		" " insurance, $\frac{1}{8}$% on sales,		26		
		" " commission, 2$\frac{1}{2}$% on sales,	5	24	6	30
		Hodgdon & Pollard's net proceeds,			196	53
					209	**58**

BRAILEY & OAKES'S CONSIGNMENT.

1881.						
Jan.	22	**Received, per Eastern R.R., from Brailey & Oakes, Richmond, Me.,**				
		1 car apples, 120 bbls.,				
		1 car potatoes, 120 bbls.				
		Paid freight and drayage,			**47**	**50**

HODGDON & POLLARD'S CONSIGNMENT. Sales.

1881.						
Jan.	17	Sold Geo. A. Goodwin, for cash,				
		4 cases eggs, 196 doz., @ 25¢,			49	00
"	25	Sold James R. Hoit, for note at 10 days,				
		10 tubs butter, 518 lbs., @ 31¢,			160	58
					209	58
		Credited as cash Feb. 6.				

BRAILEY & OAKES'S CONSIGNMENT.

LEDGER.

Dr. A. B. MESERVEY. *Cr.*

1881.				1881.			
Jan. 31	Loss and gain,	114	12	Jan. 1	Cash,	10,000	00
Jan. 31	Balance,	9,885	88				
		10,000	00			10,000	00
				Feb. 1	Balance,	9,885	88

Dr. CASH. *Cr.*

1881.				1881.			
Jan. 1	A. B. Meservey,	10,000	00	Jan. 1	Expense,	333	23
" 4	Franz Bauz's Con.	650	00	" 1	Franz Bauz's Con.	116	00
" 17	Hodgdon & Pollard's Con.,	49	00	" 1	Insurance,	30	00
				" 1	Advertising,	40	00
" 19	Shipment to Moss Brothers,	286	91	" 6	Averill, Sterns, & Co.'s Con.,	237	51
" 20	G. G. Brown & Co.	650	00	" 8	Mdse.,	776	91
" 25	Woodworth, Dodge, & Co.,	472	99	" 13	Franz Bauz,	1,143	37
				" 13	Hodgdon & Pollard's Con.,	6	75
" 28	Averill, Sterns, & Co.'s Con.,	462	56	" 22	Brailey & Oakes's Consignment,	47	50
" 29	Ship. to Gorden & Drew,	491	73	Jan. 31	Balance,	10,331	37
		13,062	64			13,062	64
Feb. 1	Balance,	10,331	37				

Dr. EXPENSE. *Cr.*

1881.				1881.			
Jan. 1	Cash,	333	23	Jan. 31	Bal. (Inv.),	150	00
					Loss and gain,	183	23
		333	23			333	23
Feb. 1	Balance,	150	00				

Dr. FRANZ BAUZ'S CON. (St. Louis, Mo.) *Cr.*

1881.					1881.			
Jan. 1	Cash,		116	00	Jan. 4	Cash,	650	00
Jan. 10	Storage,	L.,	4	00	" 10	G. G. Brown,	650	00
	Advertising,	L.,	2	50				
	Insurance,	L.,	1	63				
	Commission,	L.,	32	50				
	Franz Bauz,	L.,	1,143	37				
			1,300	00			1,300	00

Dr. INSURANCE. *Cr.*

1881.					1881.				
Jan. 1	Cash,		30	00	Jan. 10	Franz Bauz's Con., L.,		1	63
Jan. 1	Loss and gain,			56	" 25	Hodgdon & Pollard's Con., L.,			26
					" 28	Averill, Sterns, & Co.'s Con., L.,		1	17
					Jan. 31	Bal. (Inv.)		27	50
			30	56				30	56
Feb. 1	Balance,		27	50		[11 months' unexpired insurance.]			

Dr. ADVERTISING. *Cr.*

1881.					1881.				
Jan. 1	Cash,		40	00	Jan. 10	Franz Bauz's Con., L.,		2	50
					" 25	Hodgdon & Pollard's Con., L.,			50
					" 28	Averill, Sterns, & Co.'s Con., L.,			75
					Jan. 31	Bal. (Inv.)		30	00
						Loss and gain,		6	25
			40	00				40	00
Feb. 1	Balance,		30	00					

Dr. AVERILL, STERNS, & CO.'S CON. (Peoria, Ill.) *Cr.*

1881.					1881.				
Jan. 6	Cash,		237	51	Jan. 15	Woodworth, Dodge, & Co.,		472	99
Jan. 28	Storage,	L.,	8	19	" 28	Cash,		462	56
	Advertising,	L.,		75					
	Insurance,	L.,	1	17					
	Commission,	L.,	23	39					
	Averill, Sterns, & Co.,	L.,	664	54					
			935	55				935	55

Dr. MDSE. *Cr.*

1881.					1881.				
Jan. 8	Cash,		776	91	Jan. 11	Shipment to Moss Brothers,		270	00
" 27	James Wilson & Co.,		1,105	26	" 17	Shipment to Gorden & Drew,		506	91
					" 31	Shipm't to Sleeper & Williams,		200	56
					Jan. 31	Balance,		904	70
			1,882	17				1,882	17
Feb. 1	Balance,		904	70					

Dr. **STORAGE.** *Cr.*

1881.					1881.				
Jan. 31	Loss and gain,		12	49	Jan. 10	Franz Bauz's Con. L.,		4	00
					" 25	Hodgdon & Pollard's Con., L.,			30
					28	Averill, Sterns, & Co.'s Con., L.,		8	19
			12	49				12	49

Dr. **COMMISSION.** *Cr.*

1881.					1881.				
Jan. 31	Loss and gain,		61	13	Jan. 10	Franz Bauz's Con. L.,		32	50
					" 25	Hodgdon & Pollard's Con., L.,		5	24
					" 28	Averill, Sterns, & Co.'s Con., L.,		23	39
			61	13				61	13

Dr. **G. G. BROWN & Co.** *Cr.*

1881.					1881.				
Jan. 10	Franz Bauz's Con.		650	00	Jan. 20	Cash,		650	00

Dr. **FRANZ BAUZ.** *Cr.*

1881.					1881.				
Jan. 13	Cash,		1,143	37	Jan. 10	Franz Bauz's Con. L.,		1,143	37

Dr. **SHIPMENT TO MOSS BROTHERS.** (Gardiner, Me.) *Cr.*

1881.					1881.				
Jan. 11	Mdse.,		270	00	Jan. 19	Cash,		286	91
Jan. 31	Loss and gain,		16	91					
			286	91				286	91

Dr. HODGDON & POLLARD'S CONSIGNMENT. (Ashland, N.H.) *Cr.*

1881.				1881.			
Jan. 13	Cash,	€ 75		Jan. 17	Cash,	49	00
Jan. 25	Storage, L.,	30		" 25	Bills receivable,	160	58
	Advertising, L.,	50					
	Insurance, L.,	26					
	Commission, L.,	5	24				
	Hodgdon & Pollard, L.,	196	53				
		209	58			209	58

Dr. WOODWORTH, DODGE, & CO. (Concord, N.H.) *Cr.*

1881.				1881.			
Jan. 15	Averill, Sterns, & Co.'s Con.,	472	99	Jan. 25	Cash,	472	99

Dr. SHIPMENT TO GORDEN & DREW. (Andover.) *Cr.*

1881.				1881.			
Jan. 17	Mdse.,	506	91	Jan. 29	Cash,	491	18
				Jan. 31	Loss and gain,	15	73
		506	91			506	91

Dr. BRAILEY & OAKES'S CON. (Richmond, Me.) *Cr.*

1881.			
Jan. 22	Cash,	47	50

Dr. BILLS RECEIVABLE. *Cr.*

1881.			
Jan. 25	Hodgdon & Pollard's Con.,	160	58

Dr. HODGDON & POLLARD. *Cr.*

1881.			
Jan. 25	Hodgdon & Pollard's Con., L.,	196	53

Dr. **JAMES WILSON & Co.** *Cr.*

					1881. Jan. 27	Mdse.,		1,105	26

Dr. **AVERILL, STERNS, & Co.** *Cr.*

					1881. Jan. 28	Averill, Sterns, & Co.'s Con., L.,		664	54

Dr. **SHIPMENT TO SLEEPER & WILLIAMS.** (Exeter, N.H.) *Cr.*

1881. Jan. 31	Mdse.,		200	56					

Dr. **LOSS AND GAIN.** *Cr.*

1881. Jan. 31	Expense,		183	23	1881. Jan. 31	Insurance,			56
	Advertising,		6	25		Storage,		12	49
	Shipment to Gorden & Drew,		15	73		Commission,		61	13
						Shipment to Moss Brothers,		16	91
					Jan. 31	A. B. Meservey,		114	12
			205	21				205	21

Dr. **BALANCE.** *Cr.*

1881. Jan. 31	Cash,		10,331	37	1881. Jan. 31	Hodgdon & Pollard,		196	53
	Expense,		150	00		James Wilson & Co.,		1,105	26
	Insurance,		27	50		Averill, Sterns, & Co.,		664	54
	Advertising,		30	00		A. B. Meservey,		9,885	88
	Mdse.,		904	70					
	Brailey & Oakes's Consignment,		47	50					
	Bills receivable,		160	58					
	Ship. to Sleeper & Williams,		200	56					
			11,852	21				11,852	21

TRIAL-BALANCE.

1881, Jan. 31.			1881, Jan. 31.
	. .	A. B. Meservey	$10,000.00
$13,062.64	. .	Cash	2,731.27
333.23	. .	Expense	
116.00	. .	Franz Bauz's Con.	1,300.00
30.00	. .	Insurance	
40.00	. .	Advertising	
237.51	. .	Averill, Sterns, & Co.'s Con. . . .	935.55
1,882.17	. .	Mdse.	977.47
650.00	. .	G. G. Brown & Co.	650.00
1,143.37	. .	Franz Bauz	
270.00	. .	Shipment to Moss Brothers . . .	286.91
6.75	. .	Hodgdon & Pollard's Con. . . .	209.58
472.99	. .	Woodworth, Dodge, & Co. . . .	472.99
506.91	. .	Shipment to Gorden & Drew . . .	491.18
47.50	. .	Brailey and Oakes's Con. . . .	
160.58	. .	Bills receivable	
	. .	James Wilson & Co.	1,105.26
200.56	. .	Shipment to Sleeper & Williams . .	
$19,160.21			$19,160.21

INVENTORY OF PROPERTY ON HAND JAN. 31.

1 month's unexpired rent			$150.00
11 months' " insurance			27.50
3 " " advertising			30.00
1 car oats, 445 bush., @ 46¢ . . .	} mdse.	{ . .	204.70
1 " flour, "Calla Lily," 100 bbls., @ $7	}	{ . .	700.00
			$1,112.20

BRAILEY & OAKES'S CONSIGNMENT.

1 car apples, 120 bbls. . . . . .
1 " potatoes, 120 bbls. . . . . .

REMARKS ON CLOSING THE LEDGER.

INSURANCE. At the commencement of business we obtained an insurance policy of $3,000, for one year, on whatever mdse. might be in our store, and paid $30 for the same. When we closed the ledger at the end of the first month, only $\frac{1}{12}$ of the time had expired. Hence we credited insurance % with $\frac{11}{12}$ of $30, and closed the difference into loss and gain %. The expense and advertising accounts were closed in a similar manner.

In previous examples in double entry, we have closed the ledger with a balance %, and opened the journal the next month with assets and liabilities. This we have done in order that the learner might have the advantage of opening and closing the ledger as many times as practicable. But the best book-keepers generally carry the losses and gains to the loss and gain %, bring down the red-ink balances upon the opposite sides of the several accounts, and open the journal day-book for the next month without the assets and liabilities. The learner will, however, make a balance % as he has done heretofore, to prove the correctness of the closing of the ledger.

In making the trial-balance for January, care should be taken to reject all the red-ink entries, and all those transferred from any other % in the ledger. In order to avoid mistakes, all such entries are marked with a capital "L."

In making the trial-balance for February, the learner will also remember to subtract from its footings the footings of the balance % for January, in order to make them agree with those of the journal day-book. This should be done because the assets and liabilities were brought down for the commencement of the several accounts in the ledger for February, and were not entered in the journal day-book.

The pages of reference in all the books in this and the following examples are omitted.

OUTWARD INVOICES.

The consignor should always advise the consignee, by mail, of the shipment of goods, and enclose an invoice of the same. Below we give the outward invoices for the first two shipments.

Invoice of mdse. shipped Moss Brothers, Gardiner, Me., to be sold on our %.

1 car shorts, 12 tons, @ $22.50, $270.

BOSTON, MASS., Jan. 11, 1881.

A. B. MESERVEY.
Per MARSH.

Invoice of mdse. shipped Gorden and Drew, Andover, to be sold on our %.

2 cars corn, 831 bush., @ 61¢, $506.91

BOSTON, MASS., Jan. 17, 1881.

A. B. MESERVEY.
Per MARSH.

ACCOUNT SALES.

When the whole of a consignment is sold, the consignee should render an account sales to the consignor, containing an itemized account of the receipts, expenses, charges, and the consignor's net proceeds. Below we give what we consider the best form of an account sales.

ACCOUNT SALES OF 200 BBLS. FLOUR, PER BOSTON & ALBANY R.R. FOR % AND RISK OF FRANZ BAUZ, ST. LOUIS, MO.

1881.							
Jan.	4	Sold Whitcher Brothers, Stoneham, for cash,					
		50 bbls. XXX flour, @ $6,	300	00			
		50 bbls. XXXX flour, @ $7,	350	00			
"	10	Sold G. G. Brown & Co., Bristol, N.H., on % at 10 days,					
		50 bbls. XXX flour, @ $6,	300	00			
		50 bbls. XXXX flour, @ $7,	350	00	1,300	00	
		CONTRA.					
Jan.	1	Transportation, 200 bbls., @ 58¢,	116	00			
"	10	Storage, 200 bbls., @ 2¢,	4	00			
		Advertising,	2	50			
		Insurance, ⅛% on sales,	1	63			
		Commission, 2½% on sales,	32	50	156	63	
		Net proceeds, credited as cash Jan. 13,			1,143	37	

BOSTON, MASS., Jan. 10, 1881.

A. B. MESERVEY,
Per MARSH.

ACCOUNT SALES OF MDSE., PER BOSTON & LOWELL R.R., FOR % AND RISK OF HODGDON & POLLARD, ASHLAND, N.H.

1881.							
Jan.	17	Sold Geo. A. Goodwin, for cash,					
		4 cases eggs, 196 doz., @ 25¢,	49	00			
"	25	Sold James R. Hoit, for note at 10 days,					
		10 tubs butter, 518 lbs. net, @ 31¢,	160	58	209	58	
		CONTRA.					
Jan.	13	Express,	6	75			
"	25	Storage,		30			
		Advertising,		50			
		Insurance, ⅛% on sales,		26			
		Commission, 2½% on sales,	5	24	13	05	
		Net proceeds, credited as cash Feb. 6,			196	53	

BOSTON, MASS., Jan. 25, 1881.

A. B. MESERVEY,
Per MARSH.

ACCOUNT SALES OF 4 CARS CORN, PER N. Y. & N. E. R.R., FOR % AND RISK OF AVERILL, STERNS, & Co., PEORIA, ILL.

1881.						
Jan.	15	Sold Woodworth, Dodge, & Co., Concord, N.H., on % at 10 days,				
		2 cars mixed corn, 812 bush., @ 58½¢,	472	99		
"	28	Sold Minot & Fowler, Lawrence, for cash,				
		2 cars mixed corn, 826 bush., @ 56¢,	462	56	935	55
		CONTRA.				
Jan.	6	Freight and drayage, 1,638 bush., @ 14½¢,	237	51		
"	28	Storage, 1,638 bush., @ ½¢,	8	19		
		Advertising,		75		
		Insurance, ⅛% on sales,	1	17		
		Commission, 2½% on sales,	23	39	271	01
		Net proceeds, credited as cash Feb. 4,			664	54

BOSTON, MASS., Jan. 28, 1881.

A. B. MESERVEY,
Per MARSH.

EQUATION OF PAYMENTS.

When parts of a consignment are sold at different times, and the payments are to be made at different dates, it is customary to ascertain the time at which the balance should be paid, so that there may be no loss to either party, and to remit the net proceeds at the equated time to the consignor, or to let him draw for the same on the consignee.

The learner should make out an account sales for every consignment, and find the equated time for each. We submit the following rule for the equation of time, copied, by permission of the publishers, from Bradbury's Eaton's Practical Arithmetic: —

RULE. Compute the interest of each item of the account from the first day of the first month in which any transaction occurred to its maturity. Find the sum of the interests on the debit items, also the sum on the credit items, and subtract the less amount from the greater; divide this difference by the interest on the balance of the account for one month, and the quotient will be the time in months from the first day of the first month named above to the equated time of settlement. Count the time forward when the greater interest is on the greater side of the account, and backward when the greater interest is on the smaller side.

FRANZ BAUZ'S CONSIGNMENT.

DATE.		ART.	AMOUNT.		TIME. M.	TIME. D.	INT.		DATE.		ART.	AMOUNT.		TIME. M.	TIME. D.	INT.	
1881.									1881.								
Jan.	1	Cash,	116	00		0		00	Jan.	4	Cash,	650	00		3		33
"	10	Charges,	40	63		9		06	"	20	"	650	00		19	2	06
		Bal.Int.					2	33									
		Bal.,	1,143	37													
			1,300	00			2	39				1,300	00			2	39

Credited as cash Jan. 13.

HODGDON & POLLARD'S CONSIGNMENT.

DATE.		ART.	AMOUNT.		TIME. M.	TIME. D.	INT.		DATE.		ART.	AMOUNT.		TIME. M.	TIME. D.	INT.	
1881.									1881.								
Jan.	13	Cash,	6	75		12		01	Jan.	17	Cash,	49	00		16		13
"	25	Charges,	6	30		24		03	Feb.	7	"	160	58	1	6		96
		Bal.Int.					1	05									
		Bal.,	196	53													
			209	58			1	09				209	58			1	09

Credited as cash Feb. 3.

AVERILL, STERNS, & CO.'S CONSIGNMENT.

DATE.		ART.	AMOUNT.		TIME. M.	TIME. D.	INT.		DATE.		ART.	AMOUNT.		TIME. M.	TIME. D.	INT.	
1881.									1881.								
Jan.	6	Cash,	237	51		5		20	Jan.	25	Cash,	472	99		24	1	89
"	28	Charges,	33	50		27		15	"	28	"	462	56		27	2	08
		Bal.Int.					3	62									
		Bal.,	664	54													
			935	55			3	97				935	55				97

Credited as cash Feb. 4.

EXAMPLE VIII.

MEMORANDUM.

Feb. 1, 1881. — Admitted F. W. Preston into the business as partner. He pays in $9,885.88, and is to share equally in the gains and losses.

Feb. 3. — Sold Mansur & Wright, for cash, 1 car apples, 120 bbls., @ $1.25 (Brailey & Oakes's Con.). Paid Hodgdon & Pollard's sight-draft on us to balance %.

Feb. 4. — Remitted Averill, Sterns, & Co., the net proceeds of their consignment of the 6th ult. Shipped Davis & Green, Marblehead, 1 car oats, 445 bush., @ 46¢.

Feb. 5. — Rec'd acct. sales of oats shipped Sleeper & Williams the 31st ult. Our net proceeds, $228.96, due by equation Feb. 17. Accepted Brailey & Oakes's draft at 30 days, favor of John D. Lyman, for $150, which we have charged to Brailey & Oakes's Con.

Feb. 7. — James R. Hoit has paid his note due this day.

Feb. 9. — Sold Wiggin & Heath, Brighton, on their note at 30 days, 20 bbls. flour, "Calla Lily," @ $7.50. (Mdse.); 120 bbls. potatoes, @ $2.25 (Brailey & Oakes's Con.). Closed Brailey & Oakes's Con. Charged for storage, 1¢ per bbl.; for advertising, $1.50; for insurance, ⅛ % on sales; for commission, 2½ % on sales. Remitted them acct. sales. Their net proceeds, $———, due by equation March —. Rec'd cash from Sleeper & Williams to purchase flour for them on commission, $3,600.

Feb. 12. — Received, per Boston & Albany R.R., from Franz Bauz, St. Louis, Mo., 6 cars XXXX flour, 600 bbls.; 4 cars corn, 1,678 bush.; 1 car shorts, 13 tons. Paid charges, $595. Rec'd, per Boston & Lowell R.R., from Brown, Bill, & Co., Ogdensburg, N.Y., 1 car "BB" flour, 100 bbls.; 1 car patent "A" flour, 100 bbls.; 1 car bran, 13 tons. Paid freight, $135. Shipped, per Boston & Lowell R.R., to Norris & Crocket, Concord, N.H., 1 car XXXX flour, 100 bbls., @ $7 (Franz Bauz's Con. No. 2).

Feb. 14. — Shipped, per B. & M. R.R., to McKay & Wells, South Berwick, Me., 1 car "BB" flour, 100 bbls., @ $6.50; 1 car bran, 13 tons, @ $20 (Brown, Bill, & Co.'s Con.).

Feb. 17. — Rec'd from Sleeper & Williams net proceeds of our shipment of the 31st ult., $228.96. Forwarded, per B. & M. R.R., to Sleeper & Williams, Exeter, N.H., 5 cars XXXX flour, 500 bbls., @ $7 (Franz Bauz's Con. No. 2). Charged for commission, 2½ % on $3,500; remitted cash for balance of money sent us Feb. 9, $———.

Feb. 22. — Rec'd from Davis & Green net proceeds of our shipment of the 4th inst., $245.20. Took on our own % at 30 days, and shipped to John Beede, Meredith, N.H., per Boston & Lowell R.R., 1 car patent "A" flour, 100 bbls., @ $8.50 (Brown, Bill, & Co.'s Con.). Closed Brown, Bill, & Co.'s Consignment. Charged for storage, $5.50; for advertising, $3; for insurance, ¼ % on sales; for commission, 2½ % on sales. Remitted them acct. sales: their net proceeds, $———, due by equation March —.

Feb. 23. — Rec'd from Norris & Crocket cash for net proceeds of flour shipped them the 12th inst., $756.13.

Feb. 24. — Rec'd, per Eastern R.R., from Earl & Graves, Winthrop, Me., 1 car potatoes, 420 bush. Paid freight $23.50. Shipped, per Boston & Providence R.R., to Hill & White, Providence, R.I., 1 car potatoes, 420 bush., @ 62¢ (Earl & Graves's Con.). Closed Earl & Graves's Consignment. Charged for commission, 2½ % on sales. Remitted acct. sales, and their net proceeds, due this day, $———.

Feb. 26. — Paid James Wilson & Co., to bal. %, $———.

Feb. 28. — Rec'd from McKay & Wells cash for net proceeds of our shipment of the 14th inst., $950. Rec'd from John Beede cash for net proceeds of our shipment of the 22d inst., $810.23.

TRIAL-BALANCE.

Feb. 28, 1881.			Feb. 28, 1881.
		A. B. Meservey	$9,885.88
$27,118.35		Cash	2,962.72
150.00		Expense	
27.50		Insurance	
80 00		Advertising	
904.70		Mdse.	354.70
197.50		Brailey & Oakes's Con.	420.00
580.58		Bills receivable	160.58
196.53		Hodgdon & Pollard	196.53
1,105 26		James Wilson & Co.	1,105.26
664.54		Averill, Sterns, & Co.	664.54
200.56		Shipment to Sleeper & Williams	228.96
		F. W. Preston	9,885.88
204.70		Shipment to Davis & Green	245 20
3,828.96		Sleeper & Williams	3.828.96
		Bills payable	150 00
		Commission	87 50
595.00		Frank Bauz's Con. No. 2	4,200 00
700 00		Shipment to Norris & Crocket	756.13
135 00		Brown, Bill, & Co.'s Con.	1,760 00
910.00		Shipment to McKay & Wells	950.00
850.00		Shipment to John Beede	810.23
23.50		Earl & Graves's Con.	260.40
260 40		Shipment to Hill & White	
230 39		Earl & Graves	
$38,913.47			$38,913.47
11,852.21		Deduct footing of bal. % of Jan.	11,852.21
$27,061.26			$27,061.26

LOSS AND GAIN.

1881.				1881.			
Feb. 28	Expense,	150	00	Feb. 28	Insurance,	2	43
	Advertising,	5	50		Ship. to Sleeper & Williams,	28	40
	Ship. to J. Beede,	39	77		Ship. to Davis & Green.	40	50
	A. B. Meservey,	69	30		Commission	148	51
	F. W. Preston,	69	30		Mdse,	10	00
					Storage,	7	90
					Ship. to Norris & Crocket,	56	13
					Ship. to McKay & Wells,	40	00
		333	87			333	87

BALANCE.

1881.			1881.		
Feb. 28	Cash,	$24,155 63	Feb. 28	Brown, Bill, & Co.	1,568 10
	Insurance,	25 00		Bills payable,	150 00
	Advertising,	20 00		Brailey & Oakes,	207 57
	Mdse.,	560 00		Franz Bauz's Con. No. 2,	3,605 00
	Bills receivable,	420 00		A. B. Meservey,	9,955 18
	Shipm't to Hill & White,	260 40		F. W. Preston,	9,955 18
		$25,441 03			$25,441 03

INVENTORY OF PROPERTY FEB. 28, 1881.

Mdse., 80 bbls. "Calla Lily" flour, @ $7 . . .	$560.00	
Insurance, 10 months unexpired	25.00	
Advertising, 2 months unexpired	20.00	
		$605.00

FRANZ BAUZ'S CONSIGNMENT NO. 2.

4 cars corn, 1,678 bush.
1 car shorts, 13 tons.

JOINT COMMISSION BUSINESS.

An agent seldom manifests as much interest in the sale of goods on which he receives a commission only, as he would were he to share in the gains and losses: hence parties located in different places frequently unite in temporary partnerships for special ventures, each sharing in the gains and losses. There are various methods of keeping accounts of such ventures, but we consider them as joint shipments to be held in trust by the consignee till sold; the proceeds are then to be accounted for and distributed by him. In this way all the old difficulties are avoided, and the work becomes almost as easy and simple as common commission business.

RULES FOR JOURNALIZING AND CLOSING JOINT SHIPMENTS AND CONSIGNMENTS.

Debit joint shipment % for the whole cost; credit it for net proceeds, close it into loss and gain %.

Debit joint consignment % for the expenses paid by the consignee, and credit for proceeds of sales. When the consignment is all sold, debit it for the charges of the consignee, the net proceeds of consignor, and the net gain of the consignee and the other parties. If there is a loss, credit the % for the net loss of the consignee and of the other parties. Then carry the closing entries to the opposite sides of the proper accounts.

REMARKS ON CLOSING JOINT CONSIGNMENTS.

1. The proceeds of the consignment are found on the credit side of the receiving-sales book.

2. The whole cost is found by adding the expenses and charges to the consignor's invoice.

3. When the cost is greater than the proceeds the difference will be the net loss. When the proceeds are greater than the cost the difference will be the net gain. Each party's net gain or loss may be found by dividing the whole net gain or loss by the number of parties.

4. The consignor's net proceeds are found by adding his net gain to his invoice, or subtracting his net loss from the same.

5. When a joint consignment is closed, an account sales should be rendered by the consignee to each of the other parties. The time when the net proceeds are due should be found by the rule for equation of payments previously given.

EXAMPLE IX.

JOURNAL DAY-BOOK.

Boston, Mass., March 1, 1881.

		CASH, Dr. To { A. B. Meservey, F. W. Preston, A. M. Marsh, } Amount invested.	15,000	00	5,000 5,000 5,000	00 00 00
		RENT, Dr. To Cash, 2 months in advance.	350	00	350	00
		INSURANCE, Dr. To Cash, 1% on $5,000, for 1 year, on whatever mdse. may be in our store.	50	00	50	00
		ADVERTISING, Dr. To Cash, Paid "Boston Advertiser" 2 months in advance.	60	00	60	00
		EXPENSE, Dr. To Cash, For set of books, stationery, etc.	31	00	31	00
2		MDSE., Dr. To Cash, Bought of Sanford & Merrill, 100 bbls. Ackron Mills flour, @ $6.25, $625.00 400 bush. corn, @ 61¢, 244.00 $869.00	869	00	869	00
3		JOINT SHIPMENT TO JOHNSON & CROSS, } Dr. To Mdse., Shipped them, per B. & M. R. R., to Haverhill, on their and our joint % and risk, 100 bbls. Ackron Mills flour, @ $6.25.	625	00	625	00
5		JOHN C. THOMPSON'S JOINT CONSIGNM'T, } Dr. To Cash, Paid freight and drayage.	21	50	21	50
9		STONE & WELLER'S JOINT CONSIGNM'T, } Dr. To Cash,	140	00	140	00
		Amount carried forward,	17,146	50	17,146	50

Boston, March 11, 1881.

		Amount brought forward,	17,146	50	17,146	50
		JOINT SHIPM'T TO SCOTT & DICKENS, Dr. To John C. Thompson's Joint Con., 50 tubs butter, 2,408 lbs., @ 30¢.	722	40	722	40
		JOHN C. THOMPSON, Dr. To Cash, Remitted net proceeds.	592	81	592	81
15		JAMES L. MOODY'S JOINT CONSIGNM'T, Dr. To Cash, Paid charges.	32	40	32	40
19		JOINT SHIPM'T TO DAY & WHEELER, Dr. To Stone & Weller's Joint Con., 3 cars flour, "Snowflake," 300 bbls., @ $6.50.	1,950	00	1,950	00
22		CASH, Dr. To James L. Moody's Joint Consignment, 324 bush. potatoes, @ 42¢.	136	08	136	08
24		JAMES L. MOODY, Dr. To Cash, Remitted net proceeds.	129	24	129	24
26		CASH, Dr. To Joint Shipment to Johnson & Cross, Received net proceeds.	672	30	672	30
28		HENRY Y. SIMPSON, Dr. To Stone & Weller's Joint Con., Sold on % at 30 days.	1,250	00	1,250	00
30		CASH, Dr. To Joint Shipment to Day & Wheeler, Received net proceeds.	1,931	00	1,931	00
			24,562	73	24,562	73

JOHN C. THOMPSON'S JOINT CONSIGNMENT. Receipts.

1881.						
Mar.	**5**	**Received, per Boston & Lowell R.R., from John C. Thompson, St. Albans, Vt., to be sold on his and our own joint %,**				
		50 tubs butter, 2,408 lbs. net, @ 21¢, $505.68				
		Paid freight and drayage,			**21**	**50**
Mar.	11	Charged for storage, 50 tubs, @ 1¢,		50		
		" " advertising,	1	50		
		" " insurance, ⅛% on sales,		90		
		" " commission, 2½% on sales,	18	06		
		Our ½ net gain,	87	13	108	00
		John C. Thompson's invoice, $505.68				
		His ½ net gain, 87.13				
		His net proceeds Cr. as cash this day,			592	81
					722	**40**

STONE & WELLER'S JOINT CONSIGNMENT.

1881.						
Mar.	**9**	**Received, per Boston & Albany R.R., from Stone & Weller, Detroit, Mich., to be sold on joint % of themselves, George Sands (Worcester), and ourselves, each ¼,**				
		5 cars flour, "Snowflake," 500 bbls., @ $5, $2,500.00				
		Paid freight, 500 bbls., @ 28¢,			**140**	**00**
Mar.	28	Charged for storage, 500 bbls., @ 2¢,	10	00		
		" " advertising,	5	00		
		" " cooperage,	1	25		
		" " insurance, ⅛% on sales,	4	00		
		" " commission, 2½% on sales.	80	00	100	25
		George Sands's ⅓ net gain,			153	25
		Our ⅓ net gain,			153	25
		Stone & Weller's invoice, $2,500.00				
		Their ⅓ net gain, 153.25				
		Their net proceeds Cr. as cash April 5,			2,653	25
					3,200	**00**

JOHN C. THOMPSON'S JOINT CONSIGNMENT. Sales.

1881.						
Mar.	11	Shipped, per steamer "Batavia," to Scott & Dickens, Liverpool, to be sold on their and our joint %,				
		50 tubs butter, 2,408 lbs., @ 30¢,			722	40
					722	40

STONE & WELLER'S JOINT CONSIGNMENT.

1881.						
Mar.	19	Shipped, per steamer "City of Portland," to Day & Wheeler, Portland, Me., to be sold on joint % of themselves, John F. Hayes, and ourselves, each ⅓,				
		300 bbls. "Snowflake" flour, @ $6.50,			1,950	00
"	28	Sold Henry Y. Simpson, on % at 30 days,				
		2 cars flour, 200 bbls., @ $6.25,			1,250	00
					3,200	00

JAMES L. MOODY'S JOINT CONSIGNMENT. Receipts.

1881.						
Mar.	15	**Received, per steamer "Sanford," from James L. Moody, Belfast, Me., to be sold on his and our joint %, 324 bush. potatoes, which he has consigned to us @ 50¢, $162.00**				
		Paid transportation charges, 324 bush., @ 10¢,			**32**	**40**
Mar.	22	Charged for storage, 324 bush., @ ½¢,	1	62		
		" " advertising,	2	00		
		" " insurance, ⅛% on sales,		17		
		" " commission, 2½% on sales,	3	40	7	19
		James L. Moody's invoice, $162.00				
		Less his ½ net loss, 32.76				
		His net proceeds Cr. as cash March 24,			129	24
					168	**83**

JAMES L. MOODY'S JOINT CONSIGNMENT. Sales.

1881.						
Mar.	22	The potatoes, having been injured by frost in transportation, were sold at auction.				
		324 bush., @ 42¢,			136	08
		Our ½ net loss,			32	75
					168	83

LEDGER.

Dr. A. B. MESERVEY. *Cr.*

1881.				1881.			
Mar. 31	Balance,	5,041	38	Mar. 1	Cash,	5,000	00
				" 31	Loss and gain,	41	38
		5,041	38			5,041	38
				Apr. 1	Balance,	5,041	38

Dr. F. W. PRESTON. *Cr.*

1881.				1881.			
Mar. 31	Balance,	5,041	39	Mar. 1	Cash,	5,000	00
				" 31	Loss and gain,	41	39
		5,041	39			5,041	39
				Apr. 1	Balance,	5,041	39

Dr. A. M. MARSH. *Cr.*

1881.				1881.			
Mar. 31	Balance,	5,041	39	Mar. 1	Cash,	5,000	00
				" 31	Loss and gain,	41	39
		5,041	39			5,041	39
				Apr. 1	Balance,	5,041	39

Dr. CASH. *Cr.*

1881.				1881.			
Mar. 1	Sundries,	15,000	00	Mar. 1	Rent,	350	00
" 22	J. L. Moody's J. Con.,	136	08		Insurance,	50	00
					Advertising,	60	00
" 26	J. Ship. to Johnson & Cross,	672	30		Expense,	31	00
				" 2	Mdse.,	869	00
" 30	J Ship. to Day & Wheeler,	1,931	00	" 5	J. C. Thompson's J. Con.,	21	50
				" 9	Stone & Weller's J. Con.,	140	00
				" 11	J. C. Thompson,	592	81
				" 15	J. L. Moody's J. Con.,	32	40
				" 24	J. L. Moody,	129	24
				Mar. 31	Balance,	15,463	43
		17,739	38			17,739	38
Apr. 1	Balance,	15,463	43				

Dr. RENT. *Cr.*

1881.				1881.			
Mar. 1	Cash,	350	00	Mar. 31	Bal. (Inv.),	175	00
					Loss and gain,	175	00
		350	00			350	00
Apr. 1	Balance,	175	00				

Dr. INSURANCE. *Cr.*

1881.				1881.			
Mar. 1	Cash,	50	00	Mar. 11	J. C. Thompson's J. Con., L.,		90
Mar. 31	Loss and gain,		90	" 22	J. L. Moody's J. Con., L.,		17
				" 28	Stone & Weller's J. Con., L.,	4	00
				Mar. 31	Bal. (Inv.),	45	83
		50	90			50	90
Apr. 1	Balance,	45	83				

Dr. ADVERTISING. *Cr.*

1881.				1881.			
Mar. 1	Cash,	60	00	Mar. 11	J. C. Thompson's J. Con., L.,	1	50
				" 22	J. L. Moody's J. Con., L.,	2	00
				" 28	Stone & Weller's J. Con., L.,	5	00
				Mar. 31	Bal. (Inv.),	30	00
					Loss and gain,	21	50
		60	00			60	00
Apr. 1	Balance,	30	00				

Dr. EXPENSE. *Cr.*

1881.				1881.			
Mar. 1	Cash,	31	00	Mar. 31	Loss and gain,	31	00

Dr. MDSE. *Cr.*

1881.				1881.			
Mar. 2	Cash,	869	00	Mar. 3	J. Ship. to Johnson and Cross,	625	00
				Mar. 31	Bal. (Inv.),	244	00
		869	00			869	00
Apr. 1	Balance,	244	00				

Dr. JOINT SHIPMENT TO JOHNSON & CROSS. *Cr.*

1881.				1881.			
Mar. 3	Mdse.,	625	00	Mar. 26	Cash,	672	30
Mar. 31	Loss and gain,	47	30				
		672	30			672	30

Dr. JOHN C. THOMPSON'S JOINT CON. (St. Albans, Vt.) *Cr.*

1881.				1881.			
Mar. 5	Cash,	21	50	Mar. 11	J. Ship. to Scott & Dickens,	722	40
Mar. 11	Storage, L.,		50				
	Advertising, L.,	1	50				
	Insurance, L.,		90				
	Commission, L.,	18	06				
	Loss and gain, L.,	87	13				
	J. C. Thompson, L.,	592	81				
		722	40			722	40

Dr. STONE & WELLER'S JOINT CON. (Detroit, Mich.) *Cr.*

1881.				1881.			
Mar. 9	Cash,	140	00	Mar. 19	J. Ship. to Day & Wheeler,	1,950	00
Mar. 28	Storage,	10	00	" 28	Henry Y. Simpson,	1,250	00
	Advertising,	5	00				
	Cooperage,	1	25				
	Insurance,	4	00				
	Commission,	80	00				
	George Sands,	153	25				
	Loss and gain,	153	25				
	Stone & Weller,	2,653	25				
		3,200	00			3,200	00

Dr. JOINT SHIPMENT TO SCOTT & DICKENS. *Cr.*

1881.							
Mar. 11	J. C. Thompson's J. Con.,	722	40				

Dr. STORAGE. *Cr.*

1881.				1881.			
Mar. 31	Loss and gain,	12	12	Mar. 11	J. C. Thompson's J. Con., L.,		50
				" 22	J. L. Moody's J. Con., L.,	1	62
				" 28	Stone & Weller's J. Con., L.,	10	00
		12	12			12	12

Dr. JAMES L. MOODY'S JOINT CONSIGNMENT. *Cr.*

1881.				1881.			
Mar. 15	Cash,	32	40	Mar. 22	Cash,	136	08
Mar. 22	Storage,	1	62	Mar. 22	Loss and gain,	32	75
	Advertising,	2	00				
	Insurance,		17				
	Commission,	3	40				
	J. L. Moody,	129	24				
		168	83			168	83

Dr. JOINT SHIPMENT TO DAY & WHEELER. *Cr.*

1881.				1881.			
Mar. 19	Stone & Weller's J. Con.,	1,950	00	Mar. 30	Cash,	1,931	00
				Mar. 31	Loss and gain,	19	00
		1,950	00			1,950	00

Dr. HENRY Y. SIMPSON. *Cr.*

1881.							
Mar. 28	Stone & Weller's J. Con.,	1,250	00				

Dr. GEORGE SANDS. *Cr.*

				1881.			
				Mar. 28	Stone & Weller's J. Con., L.,	153	25

Dr. STONE & WELLER. *Cr.*

				1881.			
				Mar. 28	Stone & Weller's J. Con., L.,	2,653	25

Dr. COMMISSION. *Cr.*

1881.				1881.			
Mar. 31	Loss and gain,	101	46	Mar. 11	J. C. Thompson's J. Con., L.,	18	06
				" 22	J. L. Moody's J. Con., L.,	3	40
				" 28	Stone & Weller's J. Con., L.,	80	00
		101	46			101	46

Dr. LOSS AND GAIN. *Cr.*

1881.				1881.			
Mar. 22	J. L. Moody's J. Con.,	32	75	Mar. 11	J. C. Thompson's J. Con.,	87	13
" 31	Rent,	175	00	" 28	Stone & Weller's J. Con.,	153	25
	Advertising,	21	50	" 31	Insurance,		90
	Expense,	31	00		J. S. to Johnson & Cross,	47	30
	Shipm't to Day & Wheeler	19	00		Storage,	12	12
	A. B. Meservey,	41	38		Commission,	101	46
	F. W. Preston,	41	39		Cooperage,	1	25
	A. M. Marsh,	41	39				
		403	41			403	41

Dr. JOHN C. THOMPSON. *Cr.*

1881.				1881.			
Mar. 11	Cash,	592	81	Mar. 11	J. C. Thompson's J. Con., L.,	592	81

Dr. JAMES L. MOODY. *Cr.*

1881.				1881.			
Mar. 24	Cash,	129	24	Mar. 22	J. L. Moody's J. Con., L.,	129	24

Dr. COOPERAGE. *Cr.*

1881.				1881.			
Mar. 31	Loss and gain,	1	25	Mar. 28	Stone & Weller's J. Con., L.,	1	25

TRIAL-BALANCE.

Mar. 31, 1881.		Mar. 31, 1881.
	A. B. Meservey	$5,000.00
	F. W. Preston	5,000.00
	A. M. Marsh	5,000.00
$17,739.38	Cash	2,275.95
350.00	Rent	
50.00	Insurance	
60.00	Advertising	
31.00	Expense	
869.00	Mdse.	625.00
625.00	Joint Ship. to Johnson & Cross	672.30
21.50	John C. Thompson's Joint Con.	722.40
140.00	Stone & Weller's Joint Con.	3,200.00
722.40	Joint Ship. to Scott & Dickens	
592.81	John C. Thompson	
32.40	James L. Moody's Joint Con.	136.08
129.24	James L. Moody	
1,950.00	Joint Ship. to Day & Wheeler	1,931.00
1,250.00	Henry Y. Simpson	
$24,562.73		$24,562.73

Dr. BALANCE. *Cr.*

1881.				1881.			
Mar. 31	Cash,	15,463	43	Mar. 31	George Sands,	153	25
	Rent,	175	00		Stone & Weller,	2,653	25
	Insurance,	45	83		A. B. Meservey,	5,041	38
	Advertising,	30	00		F. W. Preston,	5,041	39
	Mdse.,	244	00		A. M. Marsh,	5,041	39
	J. S. to Scott & Dickens,	722	40				
	Henry Y. Simpson,	1,250	00				
		17,930	66			17,930	66

INVENTORY OF PROPERTY MARCH 31, 1881.

Mdse., 400 bush. corn, @ 61¢	$244.00
Rent, 1 month unexpired	175.00
Advertising, 1 month unexpired	30.00
Insurance, 11 months unexpired	45.83
	$494.83

ACCOUNT SALES OF BUTTER, PER BOSTON & LOWELL R.R., FOR JOINT % AND RISK OF JOHN C. THOMPSON, ST. ALBANS, VT., AND OURSELVES.

1881.						
Mar.	11	Shipped Scott & Dickens, Liverpool, 50 tubs butter, 2,408 lbs., @ 30¢,			722	40
		CONTRA.				
Mar.	5	Paid freight and drayage,	21	50		
"	11	Storage 50 tubs, @ 1¢,		50		
		Advertising,	1	50		
		Insurance, ⅛% on sales,		90		
		Commission, 2½ % on sales,	18	06		
		Our ½ net gain,	87	13	129	59
		Net proceeds, credited as cash this day,			592	81

BOSTON, MASS., March 11, 1881.

MESERVEY, PRESTON, & MARSH.

ACCOUNT SALES OF FLOUR, PER BOSTON & ALBANY R.R., FOR JOINT % AND RISK OF STONE & WELLER, DETROIT, MICH., GEORGE SANDS, WORCESTER, AND OURSELVES, EACH ⅓.

1881.						
Mar.	19	Shipped Day & Wheeler, Portland, Me., 300 bbls. "Snow-flake" flour, @ $6.50,	1,950	00		
"	28	Sold Henry Y. Simpson, on % at 30 days, 200 bbls. "Snow-flake" flour, @ $6.25,	1,250	00	3,200	
		CONTRA.				
Mar.	9	Paid freight, 500 bbls., @ 28¢,	140	00		
"	28	Storage, 500 bbls., @ 2¢,	10	00		
		Cooperage,	1	25		
		Advertising,	5	00		
		Insurance, ⅛ % on sales,	4	00		
		Commission, 2½ % on sales,	80	00		
		George Sands's ⅓ net gain,	153	25		
		Our ⅓ net gain,	153	25	546	75
		Stone & Weller's net proceeds, credited as cash April 5,			2,653	25

BOSTON, MASS., March 28, 1881

MESERVEY, PRESTON, & MARSH.

ACCOUNT SALES OF POTATOES, PER STEAMER SANFORD, FOR JOINT % AND RISK OF JAMES L. MOODY, BELFAST, ME., AND OURSELVES.

1881.						
Mar.	22	The potatoes, having been injured by frost in transportation, were sold at auction,				
		324 bush., @ 42¢,			136	08
		CONTRA.				
Mar.	15	Paid transportation charges, 10¢ per bush.,	32	40		
"	22	Storage, ½¢ per bush.,	1	62		
		Advertising,	2	00		
		Insurance, ⅛ % on sales,		17		
		Commission, 2½ % on sales,	3	40		
		Total charges,	39	59		
		Our ½ net loss,	32	75	6	84
		Your net proceeds, credited as cash March 24,			129	24
		Your invoice, $162.00				
		Less your ½ net loss, 32.76				
		Your net proceeds, as above, $129.24				

BOSTON, MASS., March 22, 1881

MESERVEY, PRESTON, & MARSH.

JOHN C. THOMPSON'S JOINT CONSIGNMENT.

DATE.		ART.	AMOUNT.		TIME. M.	TIME. D.	INT.		DATE.		ART.	AMOUNT.		TIME. M.	TIME. D.	INT.	
1881.									1881.								
Mar.	5	Cash,	21	50		4		01	Mar.	11	Cash,	722	40		10	1	20
"	11	Charges,	20	96		10		03									
		Bal. Int.					1	16									
		Bal.,	679	94													
			722	40			1	20				722	40			1	20

Credited as cash this day.

JAMES L. MOODY'S JOINT CONSIGNMENT.

DATE.		ART.	AMOUNT.		TIME. M.	TIME. D.	INT.		DATE.		ART.	AMOUNT.		TIME. M.	TIME. D.	INT.	
1881.									1881.								
Mar.	15	Cash,	32	40		14		08	Mar.	22	Cash,	136	08		21		48
"	22	Charges,	7	19		21		03									
		Bal. Int.						37									
		Bal.,	96	49													
			136	08				48				136	08				48

Credited as cash March 24.

STONE & WELLER'S JOINT CONSIGNMENT.

DATE.		ART.	AMOUNT.		TIME. M.	TIME. D.	INT.		DATE.		ART.	AMOUNT.		TIME. M.	TIME. D.	INT.	
1881.									1881.								
Mar.	9	Cash,	140	00		8		19	Mar.	19	Cash,	1,950	00		18	5	85
	28	Charges,	100	25		27		45	Apr.	27	"	1,250	00	1	26	11	67
		Bal. Int.					16	88									
		Bal.,	2,959	75													
			3,200	00			17	52				3,200	00			17	52

Credited as cash April 5.

EXAMPLE X.

MEMORANDUM.

This is a continuation of Example IX.

The journal day-book is to be opened without assets and liabilities, because the balances were brought down from the last month in the ledger.

April 2. — Rec'd, per Eastern R.R., from James M. Reed, Hampton, N.H., to be sold on his and our joint %, 1 car apples, 120 bbls., @ $1.50; 1 car potatoes, 110 bbls., @ $1.75. Paid charges, $23.

April 5. — Rec'd, per Fitchburg R.R., from Jones & Sawyer, Chicago, Ill., to be sold on joint % of themselves, John Brown, Springfield, and ourselves, each ⅓, 5 cars flour, "AA," 500 bbls., @ $5.10; 2 cars corn, 831 bush., @ 36¢. Paid freight and drayage, $256. Remitted Stone & Weller cash for their net proceeds due this day. Remitted Geo. Sands cash for his ⅓ net gain due this day.

April 7. — Rec'd from Scott & Dickens acct. sales of butter shipped them the 11th ult. Net proceeds, remitted per bill of exchange, $791.28.

April 9. — Shipped per Eastern R.R., and consigned to James M. Reed, Hampton, N.H., to be sold on his and our joint %, 1 car corn, 400 bush., @ 63¢. (Mdse.)

April 11. — Sold Stephen S. Paine on his note at 60 days, 1 car apples, 120 bbls., @ $2; 1 car potatoes, 110 bbls., @ $2.10 (James M. Reed's joint Con.). Closed James M. Reed's joint Con., and remitted him an acct. sales. Charged for storage, 1¢ per bbl.; for advertising, 50¢; for insurance, ⅛ % on sales; for commission, 2½ % on sales. Our ½ net gain, $———. J. M. Reed's net proceeds, $———, due by equation ———.

April 14. — Rec'd, per Fitchburg R.R., from Mason & Rand, Rutland, Vt., to be sold on their and our joint %, 2 boxes maple-sugar, 560 lbs. net, @ 14¢; 20 gals. maple-sirup, @ $1. Paid freight, $3.25.

April 16. — Shipped, per B. & M. R.R., to Nason & Buck, Portland, Me., to be sold on joint % of themselves, Thomas W. Perkins, and ourselves, each ⅓, 2 cars corn, 831 bush., @ 58¢ (Jones & Sawyer's joint Con.).

April 19. — Accepted. James M. Reed's draft on us, favor of John M. Haines, at 60 days, to bal. our %.

April 21. — Rec'd from James M. Reed, Hampton, N.H., acct. sales of corn shipped him the 9th inst. Net proceeds remitted in cash, $247.50.

April 23. — Rec'd from Pierce & Smith, Burlington, Io., to be sold on joint % of themselves, N. D. Clark, Walker & Casey, and ourselves, each ¼, 2 cars oats, 875 bush., @ 30¢. Paid freight, 10¢ per bush.

April 25. — Sold Joseph Dunbar, on %, at 30 days, 560 lbs. maple-sugar, @ 15¢; 20 gals. maple-sirup, @ 75¢ (Mason & Rand's joint Con.). Closed Mason & Rand's joint Con., and remitted them acct. sales. Charged for storage, 30¢; for advertising, 50¢; for insurance, ⅛ % on sales; commission, 2½ % on sales. Our ½ net loss, $———. Mason & Rand's net proceeds, $———, due by equation ———.

April 27. — Rec'd cash of Henry Y. Simpson, to bal. %.

April 28. — Sold Logan & Wells, Lawrence, on their note at 30 days, 5 cars "AA" flour, 500 bbls., @ $6 (Jones & Sawyer's joint Con.). Closed Jones & Sawyer's joint Con., and rendered them and John Brown, Springfield, each an acct. sales of the same. Charged for storage, 1¢ per bbl. for flour, ½¢ per bush. for corn; for advertising, $5; for insurance, ⅛ % on sales; for commission, 2½ % on sales. Our ⅓ net gain, $———; John Brown's ⅓ net gain, $———; Jones & Sawyer's net proceeds, $———, due by equation ———.

April 29. — Sold George N. Roberts, on his note at 30 days, 2 cars oats, 875 bush., @ 40¢ (Pierce & Smith's joint Con.). Closed Pierce & Smith's joint Con., and rendered them, N. D. Clark, and Walker & Casey, each acct. sales. Charged for storage, ½¢ per bushel; for advertising, $1.50; for insurance, ⅛ % on sales; for commission, 2½ % on sales. Our ¼ net loss, $———; N. D. Clark's ¼ net loss, $———; Walker & Casey's ¼ net loss, $———; Pierce & Smith's net proceeds, $———, due by equation ———.

April 30. — Paid sundry expenses, as per expense-book, $131.08. Rec'd acct. sales of corn shipped Nason & Buck the 16th inst., our net proceeds, remitted in cash, $512.

TRIAL-BALANCE.

April 30, 1881.			April 30, 1881.
		A. B. Meservey	$5,041.38
		F. W. Preston	5,041.39
		A. M. Marsh	5,041.39
$18,264.21		Cash	3,307.33
175.00		Rent	
45.83		Insurance	
30.00		Advertising	
244.00		Mdse.	252.00
722.40		Joint Shipment to Scott & Dickens	791.28
1,250.00		H. Y. Simpson	1,250.00
153.25		George Sands	153.25
2,653.25		Stone & Weller	2,653.25
23.00		John M. Reed's Joint Consignment	471.00
256.00		Jones & Sawyer's Joint Con.	3,481.98
252.00		Joint Shipment to James M. Reed	247.50
3,821.00		Bills receivable	
402.66		James M. Reed	
3.25		Mason & Rand's Joint Consignment	99.00
481.98		Joint Shipment to Nason & Buck	512.00
		Bills payable	402.66
87.50		Pierce & Smith's Joint Con.	350.00
99.00		Joseph Dunbar	
131.08		Expense	
$29,095.41			$29,095.41
17,930.66		Deduct footings of Balance % for March	17,930.66
$11,164.75			$11,164.75

BALANCE.

1881.				1881.			
Apr. 30	Cash,	14,956	88	Apr. 30	Bills payable,	402	66
	Insurance,	41	67		Mason & Reed,	95	37
	Bills receivable,	3,821	00		John Brown,	90	42
	Joseph Dunbar,	99	00		Jones & Sawyer,	2,939	58
	N. D. Clark,	3	77		Pierce & Smith,	258	73
	Walker & Casey,	3	77		A. B. Meservey,	5,046	44
					F. W. Preston,	5,046	45
					A. M. Marsh,	5,046	44
		18,926	09			18,926	09

INVENTORY OF PROPERTY MAY 1, 1881.

Insurance, 10 months unexpired	$41.67

WHOLESALE BUSINESS.

In extensive mercantile establishments, where a large number of clerks are employed, there is a necessity for a division of labor, and consequently for an arrangement so that each class of entries may be recorded in a book specially adapted to that purpose.

In the following example we have four books of original entry, from each of which we post to the ledger: —

1. THE INVOICE-BOOK. This is a book in which a record is kept of all merchandise bought. It is ruled like a journal, with an additional set of money columns. In the first set is placed the amount of mdse. bought for cash; in the second, the amount bought for notes; in the third, the amount bought on %. The book is closed at the end of the month. The total of the first set of money columns is posted to the credit side of cash %; the total of the second set, to the credit side of bills payable %; the *items* of the third set, to the credit of the individuals who sold the mdse.; the total of the three sets of columns, to the debit side of mdse. %.

2. THE SALES-BOOK. This is a book in which a record is made of mdse. sold. It is ruled, closed, and posted in a manner similar to the invoice-book. The first set of money columns is for cash, the second for notes, the third for accounts. All the items are posted to the debit side of the ledger, except the total footing of mdse., which is posted to the credit side.

3. THE CASH-BOOK. In this book is kept a record of cash received and cash paid. It is ruled like a journal day-book. In the first set of money columns are placed items to be posted; in the second, balances, full-extensions, items which have been posted from other books, and footings. All the items on the debit side of the cash-book should be posted to the credit side of the ledger, except cash, which should be posted to the debit side. All the items on the credit side should be posted to the debit side of the ledger, except cash, which should be posted to the credit side. The balance on hand at commencement should not be posted from the cash-book, because it is posted from the journal day-book. Also the cash received and the cash paid for merchandise should not be posted from the cash-book, because it is posted

from the invoice and the sales books. Items in the cash-book to be posted have a journal and a day-book entry; items *not* to be posted have the day-book entry only, while the space for the journal entry is left blank.

4. THE JOURNAL DAY-BOOK. In this book are entered the assets and liabilities at opening, and such other transactions as have not already been classed under the foregoing heads. It is necessary in this form to record very few transactions in the journal day-book. It is not used in Example XII.

TRIAL-BALANCE.

The footing of the trial-balance should equal the sum of the total footings of the invoice-book, the sales-book, the first set of money columns on the debit side and the first set on the credit side of the cash-book, and the journal day-book. When the balances are brought down from a preceding month the footing of the balance % is to be added to the above.

EXAMPLE XI.

JOURNAL DAY-BOOK.

Boston, Mass., May 2, 1881.

		A. B. MESERVEY, F. W. PRESTON, and A. M. MARSH enter this day into a co-partnership under the firm name of MESERVEY, PRESTON, & MARSH. They are to share alike in gains and losses, and invest as follows: —					
		Cash,	Dr.	4,000	00		
		Mdse.,	Dr.	1,112	43		
		Bills Receivable,	Dr.	3,320	00		
		J. M. Wilson,	Dr.	460	00		
		John S. Hoit,	Dr.	2,120	00		
		To John C. Reeves,				300	00
		Lyman S. Abbot,				260	00
		Bills Payable,				530	00
		A. B. Meservey,				3,307	48
		F. W. Preston,				3,307	48
		A. M. Marsh,				3,307	47
21		LYMAN S. ABBOT, Dr.		260	00		
		To Bills Payable,				260	00
		Accepted his draft at 30 days, favor of Snow & Folsom, to balance %,					
25		BILLS RECEIVABLE, Dr.		1,500	00		
		To John S. Hoit,				1,500	00
		Note at 30 days to balance %,					
		Total footing,		12,772	43	12,772	43

INVENTORY OF MDSE. ON HAND AT COMMENCEMENT, MAY 2, 1881.

	PRINTS.			
50 pieces	Allen's, 2,251 yds., @ 6¼¢,	146	32	
20 "	Arnold's fancy, 963¼ yds., @ 7¢,	67	43	
33 "	Cocheco, 1,639¼ yds, @ 7¢,	114	77	
16 "	Merrimac, 791¼ yds., @ 7¢,	55	42	
31 "	Hamilton, 1,438¼ yds., @ 6¼¢,	93	50	
15 "	Mystic, 782 yds., @ 5½¢,	43	01	
	BROWN COTTONS.			
10 pieces	Atlantic A, 421 yds., @ 8¼¢,	34	73	
12 "	Atlantic D, 528 yds., @ 7¢,	36	96	
6 "	Atlantic LL, 296 yds., @ 6¼¢,	18	50	
10 "	Boott AL, 486 yds., @ 8¢,	38	88	
15 "	Dwight X, 782 yds., @ 6¼¢,	48	88	
10 "	Continental C, 480 yds., @ 7½¢,	36	00	
	BLEACHED COTTONS.			
5 pieces	Androscoggin, 10-4, 250 yds., @ 22½¢,	56	25	
13 "	Boott E, 652 yds., @ 7¾¢,	50	53	
4 "	Boston, 9-4, 201¼ yds., @ 29¢,	58	36	
	BROWN DRILLS.			
5 pieces	Appleton, 247 yds., @ 8½¢,	21	00	
7 "	Boott, 352 yds., @ 8¼¢,	29	92	
3 "	Augusta, 141 yds., @ 8¢,	11	28	
	CORSET JEANS.			
3 pieces	Amoskeag, 151 yds., @ 10¢,	15	10	
2 "	Hadley, 98¾ yds., @ 10½¢,	10	37	
	COTTON FLANNEL.			
2 pieces	Amoskeag BB (brown), 102¼ yds., @ 14½¢,	14	83	
3 "	Amoskeag AA (bleached), 149¾ yds., @ 16½¢,	24	71	
	Amount carried forward,	1,026	75	

Boston, May 2, 1881.

Amount brought forward,			1,026	75
SPOOL COTTON.				
49 doz. Clark's O. N. T., @ 50¢,	24	50		
62 " Holyoke, @ 25¢,	15	50		
TICKINGS.				
3 pieces Amoskeag, ACA, 156 yds., @ 17¢,	26	52		
2 " Lewiston, A, 98¼ yds., @ 19½¢,	19	16	85	68
Total mdse. on hand,			1.112	43

INVOICE-BOOK.

Boston, Mass., May 6, 1881.

DATE.	L. F.		CASH.		BILLS PAY.		ON ACC'T	
		Bought of the Bates Mills, Lewiston, Me., for cash,						
		20 pieces duck, 982 yds., @ 20¢, $196.40						
		5 " basket cheviots,						
		238 yds., @ 11½¢, 27.37	223	77				
9		Bought of the Franklin Woolen Co., for note at 4 months,						
		5 pieces fancy plaids,						
		163 yds., @ $1.50, $244.50						
		10 " worsted,						
		334½ yds., @ $2.50, 836.25						
		2 " twist, 68 yds., @ 70¢, 47.60			1,128	35		
18		Bought of Amoskeag Co., Manchester, N.H., for cash,						
		20 pieces shirting stripes,						
		1,008 yds., @ 11½¢,	115	92				
		Bought of A. T. Stewart & Co., on % at 30 days,						
		10 pieces glove cambric,						
		432 yds., @ 6¢, $25.92						
		10 " Pembroke glove cambric,						
		448¼ yds., @ 5¾¢, 25.77						
		A. T. Stewart & Co., Cr.					51	69
31		Personal Accounts, Cr. Posted above,					51	69
		Bills payable, Cr. Total bo't for note,			1,128	35	1,128	35
		Cash, Cr. Total bought for cash,	339	69			339	69
		Mdse., Dr. Total bought this month,					1,519	73

SALES-BOOK.

Boston, Mass., May 4, 1881.

DATE.	L. F.		CASH.		BILLS REC.		ON ACC'T.	
		Sold J. M. Wilson, on % at 30 days, 4 pieces Cocheco prints, 191 yds., @ 7½¢, $14.33 3 " brown cotton, Boott AL, 142 yds., @ 8½¢, 12.07 1 piece brown drills, Appleton, 49 yds., @ 9¢, 4.41 J. M. Wilson, Dr.					30	81
6		Sold J. M. Brewster, Andover, for note at 30 days, 1 piece cotton flannel, Amoskeag B B, 51 yds., @ 15¢, $7.65 1 " ticking, Lewiston A, 49 yds., @ 20¢, 9.80 7 doz. Clark's O.N.T. thread @ 55¢, 3.85			21	3		
14		Sold James H. Sawyer, Plymouth, for cash, 10 pieces Merrimac print, 508 yds., @ 7½¢, $38.10 6 " brown cotton, Atlantic L L, 296 yds., @ 7¢, 20.72	58	82				
23		Sold Freeman & Knight, Hyde Park, on % at 30 days, 3 pieces Augusta drills, 141 yds,, @ 9¢, $12.69 2 " Hadley jeans, 98¾ yds., @ 10½¢, 10.62 4 " bleached cotton, Boston, 9-4, 201¼ yds., @ 29¢, 58.36 7 " brown cotton, Boott AL, 344 yds., @ 8½¢, 28.38 2 " twist, 68 yds., @ 75¢, 51.00 Freeman & Knight, Dr.					161	05
		Sold Day & Martin, for note at 60 days, 15 pieces prints (Mystic), 782 yds., @ 6¢, $46.92 10 " brown cotton, Continental C, 480 yds., @ 8¢, 38.40 5 " bleach. cotton, Androscoggin, 10-4, 250 yds., @ 22½¢, 56.25			141	57		
31		Personal Accounts, Dr. Posted above,					191	86
		Bills receivable, Dr. Total sold for note,			162	87	162	87
		Cash, Dr. Total sold for cash,	58	82			58	82
		Mdse., Cr. Total sold this month,					413	55

TRIAL-BALANCE.

May 31.		May 31.
	A. B. Meservey	$3,307.48
	F. W. Preston	3,307.48
	A. M. Marsh	3,307.47
$8,000.92	Cash	1,302.19
2,632.16	Mdse.	413.55
4,982.87	Bills receivable	3,320.00
490.81	J. M. Wilson	
2,120.00	John S. Hoit	2,120.00
300.00	John C. Reeves	300.00
260.00	Lyman S. Abbot	260.00
530.00	Bills payable	1,918.35
15.00	Discount	2.10
62.50	Expense	
25.00	A. B. Meservey (private %)	
30.00	A. M. Marsh (private %)	
	A. T. Stewart & Co.	51.69
161.05	Freeman & Knight	
$18,610.31		$18,610.31

Total footing of Journal,	$12,772.43
Total footing of Invoice-Book,	1,519.73
Total footing of Sales-Book,	413.55
Total cash received, except for mdse.,	3,942.10
Total cash paid, except for mdse.,	962.50
Equal footing of Trial-Balance,	$18,610.31

Dr. LOSS AND GAIN. *Cr.*

1881.				1881.			
May 31	Discount,	12	90	May 31	Mdse.,	19	74
	Expense,	62	50		A. B. Meservey,	18	56
					F. W. Preston,	18	55
					A. M. Marsh,	18	55
		75	40			75	40

Dr. BALANCE. *Cr.*

1881.				1881.			
May 31	Cash,	6,698	73	May 31	Bills payable,	1,388	35
	Mdse.,	2,238	35		A. T. Stewart & Co.	51	69
	Bills receivable,	1,662	87		A. B. Meservey,	3,263	92
	J. M. Wilson,	490	81		F. W. Preston,	3,288	93
	Freeman & Knight,	161	05		A. M. Marsh,	3,258	92
		11,251	81			11,251	81

CASH-BOOK.

Dr. CASH.

1881.							
May 2			Balance on hand,			4,000	00
" 4	Bills Receivable,	Cr.	Rec'd for John Dean's note,	320	00		
" 12	Bills Receivable,	Cr.	Mason & Rowell have discounted their note due June 11; face of note,	3,000	00		
" 20	Discount,	Cr.	Discount off our note favor of Giles & Durgin, 41 days, @ 6%,	2	10		
" 25	John S. Hoit,	Cr.	Rec'd on %,	620	00		
" 31	Cash,	Dr.	Total received this month,			3,942	10
			Mdse. posted from Sales-Book,			58	82
						8,000	92
June 1			Balance on hand,			6,638	73

NOTE. — This Cash-Book should have been placed before the Trial-Balance and Loss and Gain Accounts, but has been placed after them for convenience of the printer.

JOURNALIZE THE FOLLOWING EXAMPLES, AND GIVE THE RULE FOR EACH.

(The learner will supply dates and names when necessary.)

1. Sold mdse. for cash.
2. Bought mdse. for cash.
3. Sold John M. Clayton mdse. on %.
4. Bought mdse. of John M. Clayton on %.
5. Sold mdse. for note.
6. Bought mdse. for note.
7. Sold Isaac Fuller mdse., $\frac{1}{2}$ on his note, and $\frac{1}{2}$ on %.
8. Bought of Isaac Fuller mdse., $\frac{1}{2}$ on our note, and $\frac{1}{2}$ on %.
9. Sold James Fox mdse., $\frac{1}{3}$ for cash, $\frac{1}{3}$ for his note, $\frac{1}{3}$ on %.
10. Bought mdse. of James Fox, $\frac{1}{3}$ cash, $\frac{1}{3}$ our note, $\frac{1}{3}$ on %.
11. Isaac Fuller has paid his note.

CASH-BOOK.

CASH. *Cr.*

1881.								
May 3		Expense,	Dr.	Per Expense Book,	62	50		
" 7		John C. Reeves,	Dr.	Paid to balance %,	300	00		
" 12		Discount,	Dr.	Discount off Mason & Rowell's note, 30 days, @ 6%,	15	00		
" 16		Bills Payable,	Dr.	Paid our note favor of Jones & Moody,	230	00		
" 20		Bills Payable,	Dr.	Discounted our note favor of Giles & Durgin, due July 1; face of note,	300	00		
" 26		A. B. Meservey, (private %),	Dr.	Paid him on private %,	25	00		
" 31		A. M. Marsh, (private %),	Dr.	Paid him on private %,	30	00		
		Cash,	Cr.	Total paid this month,			962	50
				Mdse. posted from Invoice-Book,			339	69
				Balance,			6,698	73
							8,000	92

12. Paid our note favor of Isaac Fuller.

13. Bought 180 lbs. butter @ 27¢, for which we pay granulated sugar @ 11¢.

14. Sold Levi Carter 127 bu. oats @ 42¢, and rec'd his note at 60 days. Exchanged Carter's note for $10 cash, and John H. Harper's note for the difference, after deducting discount on Carter's note for 63 days.

15. John Brown invests in business, cash, $1,200; mdse., $875; real estate, $1,450.

16. John Smith commences business with the following assets and liabilities: Assets, — cash, $2,100; real estate, $2,500; mdse., $2,740; bills receivable, $860; Nelson Clark owes him on % $261.83. Liabilities, — bills payable, $762; he owes Elijah Gifford $231,60. Journalize this with one entry, and then with two entries.

17. A. B. Meservey makes the following addition to his investment: viz., cash, $500; mdse., $672; John Jones's note, $325; Samuel Doe's %, $120. Journal entry?

18. A. B. Meservey admits Jacob B. Davis as a partner, who invests $3,000 cash.

19. A. B. Meservey and F. W. Preston are doing business as a firm. Meservey sells all his interest to Preston for $4,000 cash; but the credit balance of Meservey's % in the ledger is $4,628.11. Make the journal entry to close Meservey's % in the books of the firm.

20. What would have been the journal entry if the balance of Meservey's % had been $3,826.19?

21. If Meservey should sell his interest to M. H. Merrow for $4,000 when the balance of Meservey's % is $960, what would be the journal entry in the books of the firm?

22. Bought 10 shares of bank stock @ 91 %. Gave in payment cash, $500; my note at 90 days for balance.

23. Discounted the above note 30 days after its date, and paid cash for net proceeds, less discount 63 days at 5%.

24. Charles A. Marden owes A. B. Meservey $424 on %. Marden fails, and Meservey receives in cash from Marden 75 % of his claim. Journal entry in Meservey's books.

25. H. M. Butler owes me on his note $300. He fails, and I receive 25 % of the face value of the note in cash.

26. I own 10 shares Pacific National Bank stock, and in consequence of its failure I am obliged to pay cash for an assessment of 100 % on the par value. Journal entry.

27. I receive 500 bbls. flour, invoiced at $7 per bbl., to be sold on % and risk of Peter Jones; and I pay expenses in cash, $12.

28. I assume and ship the above flour, invoiced at $7.50, to James M. Moody, to be sold on his and my joint %.

29. Joshua Rand owes Levi Johnson $750, which has been due six months. Rand allows Johnson interest for six months at 6 %, and gives his note for the am't. Journal entry in Johnson's and Rand's books?

30. John Jay gives an order on Philip Brooks, favor of Joel Brown, for $300 worth of mdse. Brooks delivers the mdse. to Brown, and takes up the order. Make the entry in the journals of Jay, Brooks, and Brown.

31. Aug. 6, 1881, I bought S. B. Harlow's note, dated July 7, 1881, for $700, at 60 days with 5 % interest from date. Paid cash for same, $690. Journal entry?

EXAMPLE XII.

MEMORANDUM.

The following is a continuation of Example XI. : —

June 1. — Sold William Plaisted, Springfield, for cash, 6 pieces Merrimac print, 283¾ yds., @ 7½¢ ; 12 pieces brown cotton, Atlantic A, 528 yds., @ 7½¢ ; 7 pieces brown drills, Boott, 352 yds., @ 8½¢.

June 3. — J. M. Wilson has paid cash to balance %.

June 4. — Sold John C. Reeves, on % at 30 days, 3 pieces corset Jeans, Amoskeag, 151 yds., @ 11¢ ; 1 piece ticking, Lewiston A, 49¼ yds., @ 9½¢.

June 6. — Discounted our acceptance, favor of Snow & Folsom, due June 23.

June 7. — Bought of Hale & Wentworth, for cash, 2 pieces ticking, Lewiston A, 98 yds., @ 20¢ ; 3 pieces brown drills, Amoskeag, 126 yds., @ 8¢.

June 8. — John S. Hoit has discounted his note of the 25th ult. J. M. Brewster has paid cash for his note of the 6th ult.

June 9. — Discounted our note of the 9th ult., favor of Franklin Woolen Co., at 8 %.

June 11. — Sold John M. Craig, Dover, N.H., for his note at 30 days, 1 piece Amoskeag BB cotton flannel, 51¼ yds., @ 15¢ ; 3 pieces Amoskeag ticking, ACA, 156 yds., @ 18¢.

June 13. — Paid gas-bill, $23.

June 15. — Paid F. W. Preston's tax, $38.58. Loaned A. B. Hewitt, for 10 days, $400.

June 16. — Remitted A. T. Stewart & Co. cash to balance %.

June 18. — Sold Geo. S. Hopkins, Waltham, for cash, 10 pieces Pembroke cambric, 448¼ yds., @ 6¢ ; 3 pieces brown drills, 126 yds., @ 9¢ ; 10 doz. Holyoke thread, @ 28¢ ; 10 doz. Clark's O. N. T. thread, @ 55¢ ; 10 pieces brown cotton, Dwight, 504 yds., @ 7¢ ; 10 pieces Arnold's fancy prints, 463¼ yds., @ 7¢.

June 20. — Bought of the Holyoke Manufacturing Co., on % at 10 days, 40 pieces brown cotton, XX, 1,961 yds., @ 8¢ ; 40 pieces bleached cotton, BB, 1,847 yds., @ 9¢.

June 22. — Sold John S. Hoit, on % at 30 days, 10 pieces Arnold's fancy prints, 500 yds., @ 7½¢ ; 5 pieces brown cotton,

Dwight, 278 yds., @ 7¢; 2 pieces ticking, Lewiston A, 98 yds., @ 21¢; 5 pieces glove cambric, 212 yds., @ 6¾¢. Freeman & Knight have paid cash to balance %.

June 23. — Paid Holyoke Manufacturing Co. bill due ———, 2 % off for cash.

June 25. — Bought of Cocheco Manufacturing Co., for note at 4 months, 40 pieces standard prints, 1,973 yds., @ 6½¢. A. B. Hewitt has paid cash to balance %.

June 27. — Sold Frank N. Stackpole, Waterville, Me., for cash, 20 pieces brown cotton, XX, 1,000 yds., @ 8½¢; 20 pieces bleached cotton, BB, 947 yds., @ 9½¢; 10 pieces standard Cocheco prints, 489 yds., @ 7¢, 2 % off for cash.

June 29. — Bought of the Sprague Manufacturing Co., for cash, 30 pieces Sprague print, 1,512 yds., @ 6¼¢, 2 % off for cash.

June 30. — Sold J. M. Wilson, on % at 30 days, 20 pieces brown cotton, XX, 961 yds, @ 8¼¢; 20 pieces bleached cotton, BB, 900 yds., @ 9¼¢; 30 pieces standard Cocheco prints, 1,484 yds., @ 7¢. Discounted our note of the 25th inst., favor of the Cocheco Manufacturing Co.

Dr. LOSS AND GAIN. *Cr.*

1881.					1881.				
June 30	Expense,		23	00	June 30	Mdse.,		37	49
June 30	A. B. Meservey,		14	26		Discount,		28	29
	F. W. Preston,		14	26					
	A. M. Marsh,		14	26					
			65	78				65	78

PROOF-SHEET.

June 30.		June 30.
	A. B. Meservey	$3,263.92
	F. W. Preston	3,288.93
	A. M. Marsh	3,258.92
$9,715.00	Cash	2,480.02
2,812.00	Mdse.	824.33
1,698.64	Bills receivable	1,521.30
757.22	J. M. Wilson	490.81
161.05	Freeman & Knight . . .	161.05
1,516.60	Bills payable	1,516.60
51.69	A. T. Stewart & Co. . . .	51.69
21.29	John C. Reeves	
90.79	John S. Hoit	
323.11	Holyoke Manufacturing Co. . .	323.11
38.58	F. W. Preston (private %) . .	
4.75	Discount	33.04
23.00	Expense	
400.00	A. B. Hewitt	400.00
$17,613.72		$17,613.72

Total footing of Balance Acc't,	$11,251.81
Total footing of Invoice-Book,	573.65
Total footing of Sales-Book,	824.33
Total cash received this month, except for mdse.,	2,606.20
Total cash paid this month, except for mdse.,	2,35'..73
Equal footing of Proof-Sheet,	$17,613.72

Dr. BALANCE. *Cr.*

1881.					1881.				
June 30	Cash,		7,234	98	June 30	A. B. Meservey,		3,278	18
	Mdse.,		2,025	16		F. W. Preston,		3,264	61
	Bills receivable,		177	34		A. M. Marsh,		3,273	18
	J. M. Wilson,		266	41					
	J. C. Reeves,		21	29					
	J. S. Hoit,		90	79					
			9,815	97				9,815	97

INVENTORY OF MDSE. UNSOLD JUNE 30, 1881.

PRINTS.				
50 pieces Allen's, 2,251 yds., @ 6¼¢,	146	32		
29 " Cocheco, 1,448¾ yds., @ 7¢,	101	40		
31 " Hamilton, 1,438¾ yds., @ 6¼¢,	93	50		
30 " Sprague, 1,512 yds., @ 6¼c,	94	50		
BROWN COTTON.				
10 pieces Atlantic A, 421 yds., @ 8¼¢,	34	73		
BLEACHED COTTON.				
13 pieces Boott E, 652 yds., @ 7¾¢,	50	53		
BROWN DRILLS.				
4 pieces Appleton, 198 yds., @ 8½¢,	16	83		
COTTON FLANNEL.				
3 pieces Amoskeag AA, 149¾ yds., @ 16½¢,	24	71		
SPOOL COTTON.				
32 doz. Clark's O. N. T., @ 50¢,	16	00		
52 " Holyoke, @ 25¢,	13	00		
MISCELLANEOUS.				
20 pieces duck, 982 yds., @ 20¢,	196	40		
5 " basket cheviots, 238 yds., @ 11½¢,	27	37		
5 " fancy plaids, 163 yds., @ $1.50,	244	50		
10 " worsted, 334¾ yds., @ $2.50,	836	25		
20 " shirting stripes, 1,008 yds., @ 11½¢,	115	92		
5 " glove cambric, 220 yds., @ 6¢,	13	20		
			2,025	16

JOURNALIZE THE FOLLOWING EXAMPLES, AND GIVE THE RULE FOR EACH.

1. Thomas M. Read has this day remitted me his acceptance for $81 to balance his %. Journal entry?

2. C. H. Perkins having failed to pay his note which we had indorsed, we have paid for face of note $100; interest from time of maturity to time of payment, $2.63; cost of protest, $3.25.

3. Accepted John Wentworth's draft on us at 30 days, for $100, to balance %.

4. Remitted our sight draft on P. B. Jenks, favor of S. A. Ham for $162, to balance Ham's %.

5. W. G. Jewett bought bill of mdse. of John Goodwin, amounting to $320. Gave in payment draft on S. M. Bean for the amount.

6. Bought of W. G. Varney bill of mdse. amounting to $84. Gave in payment S. M. Berry's note in my favor for $56.18, with interest due on same for 4 months and 17 days at 5 %, and paid cash for balance. Journal entry?

7. A. B. Meservey bought of S. F. Clark bill of mdse. amounting to $280. Gave in payment an order on C. O. Dame for 12 bbls. flour @ $9.50, a sight draft on Joseph Fogg for $100, and paid the balance in cash. Journal entry in Meservey's books.

8. A. B. Meservey bought of Thompson, Brown, & Co., bill of books amounting to $168. Gave in payment note at 30 days for $68; check for $50; cash for balance. Journal entry in Meservey's books.

9. My store worth $3,000, and mdse. worth $4,000, on which there was no insurance, have been burned. Make the journal entry.

10. Exchanged my house and lot, valued at $3,400, with E. A. Pearl, for his farm, valued at $6,000. I assume the mortgage on his farm for $1,500, with interest due to date, $164.17, and pay the balance in cash. Journal entry in my books.

EXAMPLE XIII.

May 1, 1883. — A. B. Meservey has on hand, cash, $3.841.17; a note signed by M. S. Jones, for $1.346.18, dated July 5, 1882, with interest at 6 % from date; a note signed by Moses J. Saunders, dated Oct. 17, 1882, for $462.50, with interest at 5 % from date; a note dated Oct. 24, 1882, signed by Charles H. Gilman, for $316.81, with interest at 7 % from date.

A. B. Meservey owes F. W. Preston, on note dated Aug. 22, 1882, $461.87, with interest at 6 % from date. He also owes E. H. Prescott, on note dated July 12, 1881, $238.42, with interest at 7 % from date; he also owes J. A. Burleigh, on note dated Oct. 10, 1882, $496.13, with interest at 5 % from date.

June 13, 1883. — M. S. Jones pays his note and the interest due to date.

July 18, 1883. — A. B. Meservey pays F. W. Preston the amount due him for principal and interest to date.

Sept. 19, 1883. — A. B. Meservey exchanges Moses J. Saunders's note for his own note, payable to E. H. Prescott, charging and allowing interest to date, and receiving the balance in cash.

Make Journal entries for the above, then post the Ledger Interest %, and close it at the last date mentioned.

JOURNAL.

1883.							
May 1		SUNDRIES, Dr. To A. B. Meservey,			6,057	05
		Cash,	3,841	17		
		Bills Receivable,	2,125	49		
		Interest,	90	39		
		A. B. MESERVEY, Dr. To Sundries,	1,259	52		
		Bills Payable,			1,19	42
		Interest,			63	10
June 13		CASH, Dr. To Sundries,	1,422	01		
		Bills Receivable,			1,346	18
		Interest,			75	83
July 18		SUNDRIES, Dr. To Cash,			486	96
		Bills Payable,	461	87		
		Interest,	25	09		
Sept. 19		SUNDRIES, Dr. To Sundries,				
		Bills Payable,	238	42		
		Interest,	36	48		
		Cash,	208	93		
		Bills Receivable,			462	50
		Interest,			21	33
			9,709	37	9,709	37

Dr. INTEREST. *Cr.*

1883.				1883.			
May 1	To A. B. Meservey,	90	39	May 1	By A. B. Meservey,	63	10
July 18	" Cash,	25	09	June 13	" Cash,	75	83
Sept. 19	" Sundries,	36	48	Sept. 19	" Sundries,	21	33
	" Balance,	23	36		" Balance.	20	02
	" Loss and Gain,	4	96				
		180	28			180	28

MISCELLANEOUS EXAMPLES.

The learner will supply dates and names when necessary.

1. Commenced business with cash on hand, $2,100. Paid for mdse., $1,984.13; for rent, $20.92; for taxes, $13.41; for other expenses, $38.19. Recd. for mdse., $832.21; for notes, $326.14; on %, $287.09. What is the balance of cash on hand? Let this be written out like a cash % of the first form, and also like the second form.

2. Commenced business with cash on hand, $6,000; mdse., $4,000; bills receivable, $800; real estate, $426; bank stock, $800. I owe a note for $1,846.13; on %, $1,236.10. At the close of the year I have cash, $5,000; mdse., $3,462; bills receivable, $900; real estate, $400; bank stock, $800; due on %, $1,841.09. I owe on % $134.18; on notes $2,160. Make a balance account at opening and closing. Ascertain whether there has been a gain or loss, and how much per cent.

3. What is the true discount, the bank discount, the simple interest, the annual interest, the compound interest, of $364.18 for 5 years, 3 months, and 10 days?

4. A. B. Meservey and F. W. Preston commenced business with the following assets and liabilities: —

A. B. M. has cash on hand, $1,000; mdse., $1,846.16; due from John C. Smith, $119.42; from R. C. Fox, $321.34. A. B. M. owes Jesse R. Forbes $221.17 on %. F. W. Preston invests cash, $7,000; real estate, $3,000. Write the opening entries of the day-book of the fifth form in single entry for the above. At the close of the year there was a net loss of $762.14. What should be the net loss of each of the partners?

5. Levi S. Norton owes me on % $1,500. He fails, and I receive from him cash, $500; his note for $250; and balance the %. What is the journal entry?

6. My store is worth $2,000; mdse. in the store, $5,000. I pay cash to insure the store for $1,500 in the Hartford Insurance Company, at 2 % for three years; and the mdse. for $3,000 in the Ætna Insurance Company, at 1 % per year. Three months afterward the store is burned, and only $1,500 worth of mdse. is saved. Journalize the above, and find the net loss. What are the journal entries when the losses are paid?

7. Shipped John J. Butler 400 bbls. flour, @ \$8.12½. Paid expense, \$82. Received for net proceeds, \$3,373.12. What is the net gain, and the gain per cent on the cost of the flour?

8. Received a consignment Jan. 6, 1881, and paid expense, \$91.08. Jan. 19, 1881, received, for amount sold, \$1,869.14; March 4, 1881, received \$362.19. Charged for storage, advertising, and commission, \$162.41. What are the net proceeds, and what is the equated time of payment? Make an % sales.

9. Sold 100 bbls. apples (Thomas S. Dame's consignment), @ \$3.12 per bbl. Received in payment ⅓ cash, ⅓ note, ⅓ order on W. A. Shaw. Journalize.

10. Exchanged my farm, worth \$2,000, on which there is a mortgage for \$1,000, and interest now due, \$100, for a store worth \$1,000, with a mortgage on the same for \$500, and interest now due, \$50. I agree to pay the mortgage on the store, and the interest now due; he agrees to pay the mortgage on the farm, and the interest now due. The balance is to be paid in cash. Who pays the cash? How much? What is the journal entry?

11. Jan. 6, 1881, discounted my note due Sept. 9, 1881. Face of note, \$960. Gave in payment W. G. Huzzey's note in my favor for \$100, due May 4, 1881; my note due June 1, 1882, for \$50; the balance in cash. Reckon the discount on the notes; find the balance of cash; journalize the transaction.

12. March 1, 1881, received of J. R. Hoyt & Co., to be sold on their and our joint % and risk, 500 bbls. flour, invoiced at \$8 per bbl. Paid expenses, \$31.28. April 9, sold 300 bbls. for cash, @ \$8.50. May 26, sold 200 bbls. on note at 6 mos. Charged for storage, \$2.50. Advertising, \$2.25; commission, 2½ % on sales. Make an invoice of the flour when received, a ledger % of the joint consignment, an % sales, and find the equated time of payment. Was there a net gain or loss? and how much per cent on the invoice price?

13. July 11, 1881, received of John S. Dole & Co. 20,000 ft. lumber, invoiced at \$10 per M., to be sold on joint % of four parties. Paid freight, \$38.21. Aug. 9, sold the whole at \$12.50 per M. on a note for 6 mos. with interest at 6 %. Charged for storage and advertising, \$4.25; for commission, 2½ % on sales. Make out the ledger % for the joint consignment, also an % sales, and find the equated time of payment.

NOTES, DRAFTS, ETC.

A promissory note is a written contract, and is subject to special laws governing contracts of this kind. To constitute a promissory note certain things are requisite.

1. There must be two parties, — the maker or makers, and the payee or payees. The maker is the party who promises to pay. The payee is the party to whom the amount specified is to be paid.

2. The time of maturity must be definite and certain; the payment must not depend upon any uncertain event.

3. The note must be payable in money, and the amount should be definitely stated. When there is a discrepancy between the figures and the written words, the words govern.

4. To be negotiable, — that is, transferable by delivery, with all the legal rights enjoyed by the original payee, — it must contain certain words showing that it is payable to bearer, or to the order of the payee.

5. It must be given for a consideration, valuable in the eyes of the law. Consideration, if not expressed, is always implied. Hence the words "value received," though usually inserted, are not essential.

A Bill of Exchange or *Draft* is an order, to the person to whom it is directed, to pay the amount of money specified to the order of the person named as payee either at sight or at a certain time after sight or date.

What has been said of the essentials and requisites of a promissory note is equally true of bills of exchange and drafts. The original parties to a draft are three, — the drawer, payee, and drawee or acceptor. The drawee is the party on whom the draft is drawn, — the party who is ordered to pay the sum specified. When presented for payment, the drawee writes "Accepted," together with his name and the date, across the face of the draft. He is then called the acceptor, and becomes the principal debtor. His liability corresponds to that of the maker of a note. The drawer is the party who draws the draft. His liability is similar to that of the indorser of a note. The payee is the party to whom payment is to be made.

INDORSEMENT.

If a note or draft is payable to bearer, it can be transferred without indorsement; but, if it is made payable to the order of the payee, then the payee must write his name on the back. This is called indorsement in blank. The note or bill then becomes payable to bearer; but the payee may make it payable to the order of some other party by writing on the back, "Pay to the order of A. B.," and writing his name underneath. A. B. then becomes the indorsee, and may, in a similar manner, transfer the note or bill to another party, and so on indefinitely. This form is called "indorsement in full."

Indorsement renders the indorser liable for the payment, if the original payer fails to pay at maturity. If the indorser wishes to avoid liability, he may write "Without recourse" over his name.

DAYS OF GRACE.

In most States three days are allowed the maker or acceptor to make payment after the time specified expires. These are called days of grace.

PRESENTMENT FOR PAYMENT.

Demand of payment at maturity is not necessary to hold the maker of a note or the acceptor of a draft, because they are the original parties; but it is necessary that demand should be made of the payer in order to hold the indorsers.

DISHONOR OF A NOTE OR BILL.

Refusal to pay when demand has been properly made is termed the dishonor of the note or bill. Notice of the dishonor should be given immediately to the indorsers, in order to hold them responsible for the payment.

CHECK.

A check is an order on a bank or banker to pay the sum specified. A check requires no acceptance, because a banker is bound to pay the check of his depositors, if he has so much of their money in his hands.

SIGHT DRAFT.

A sight draft is a draft payable when presented to the drawee for payment. Days of grace are allowed in some States on demand notes and sight drafts.

NOTES.

A demand note is a note payable when demand of payment is made. In order to hold the indorsers responsible for the payment, demand should be made, according to the common law, within a reasonable time. What constitutes a reasonable time is defined by the statute law of some of the States.

An individual note is a note signed by one party, who alone is holden for the payment, unless indorsed by others.

A joint note is a note signed by two or more parties who jointly promise to pay. Each is liable for the whole note, but they must all be sued together.

A joint and several note is a note signed by two or more parties, who jointly and severally promise to pay. Each is then liable to pay the whole amount, and may be sued separately. By the law of partnership a firm note is a joint note.

An interest-bearing note is a note payable with interest. This must be distinctly stated in the note.

A non-interest bearing note is a note which does not bear interest until after maturity, or in case of a demand note after demand.

A negotiable note is a note so made that it may be sold and transferred from one person to another so as to give the purchaser a right to sue for payment in his own name. The words "or order" or "or bearer" express the negotiability.

A non-negotiable note is a note which cannot be sold so as to give the purchaser the right to sue for payment in his own name.

A chattel note is a note similar to any other note with the addition of "what, when and where delivered." The number of dollars must be definitely stated, and the maker may pay the money or the chattels at his own option. If the conditions of delivery are broken, the payee may then demand payment in money. A chattel note is non-negotiable, even though made payable to order or bearer.

A collateral note is a note secured by additional business paper or by a pledge of other property as a guarantee of payment when due.

INTEREST.

Interest can be collected on a demand note after demand of payment has been made, and on a time note after maturity; otherwise no interest can be collected unless specified in the note.

When a note or draft entitled to grace becomes due on Sunday or on a legal holiday, it is payable the day before.

LIMITATIONS.

The Statute of Limitations does not discharge or extinguish a debt; but simply limits the time during which the creditor can bring an action. In most States the period during which the holder of a note or bill may bring an action is six years. Action on a witnessed note in Maine and Massachusetts and some other States may be brought within twenty years. The time is reckoned from the date when the creditor might have brought an action for the recovery of his demand. Residence of the payer out of the State where suit is brought is not to be reckoned in making up the six or twenty years.

RENEWAL.

As the statute of limitations does not extinguish the debt, but simply bars action for its collection, a new promise to pay will renew the note without any new consideration or value received. Payment of any part of interest or principal renews the note from date of payment. But in order that a payment may have this effect without further proof except of handwriting, the indorsement must be made by the party making the payment.

NOTE VOID.

A note becomes void in the hands of the original payee when it is proved that there was no value received or when the note was based on a fraudulent or illegal transaction. But in the hands of a *bona fide* purchaser for value, who was not aware of any legal or equitable defence, a note in proper form is valid without regard to the original consideration. A note or bill may be transferred after it becomes due, but the purchaser takes it at his peril subject to all the defences existing against it.

FORMS.

Custom has established certain convenient forms for notes, checks, drafts, and bills of exchange, but no particular form is required by law. Forms should contain the requisite elements necessary to legally bind the parties. We subjoin some common forms, which will be readily understood without further information.

Note — Individual — Time.

$100. Boston, Mass., July 1, 1881.

Three months after date, I promise to pay John Blank, or order, one hundred dollars, value received.

A. B. M.

(*Back of the Note when paid.*)

Pay to the order of
William Smith & Co.
John Blank.

Pay to the order of
Thompson & Brown.
Wm. Smith & Co.

Thompson & Brown.

Note — Joint — Demand.

$175 $\frac{50}{100}$. New Hampton, N. H., July 10, 1881.

On demand, we promise to pay John Blank, or order, one hundred seventy-five $\frac{50}{100}$ dollars, value received.

A. B. M.
C. D. T.

Note — Chattel — Not Negotiable.

$250. New Hampton, N. H., Aug. 1, 1881.

For value received, I promise to pay John Blank two hundred and fifty dollars in hemlock boards, at ten dollars per M., delivered at Bristol, Feb. 1, 1882.

A. B. M.

Note — Joint and Several — Interest.

$63\frac{25}{100}$. Boston, Mass., July 1, 1881.

Value received, we jointly and severally promise to pay John Blank, or order, sixty-three $\frac{25}{100}$ dollars, sixty days after date, with interest.

A. B. Meservey.
C. D. Thyng.

Note — Collateral — Witnessed.

$1,000. New Hampton, N. H., July 1, 1881.

Sixty days from date, we jointly and severally promise to pay the First National College Bank of New Hampton, or order, ten hundred dollars, value received; and, as security for the payment of the same, we have deposited herewith a certificate of seventeen shares of stock in the Boston and Maine Railroad, standing in our name on the books of said company, with authority to sell the same at public or private sale, provided this note is not paid at maturity.

B. Marsh.
Witness: J. H. Deane. Chas. Brown.

Draft — Time.

$300. Boston, July 1, 1881.

At sixty days' sight, pay to the order of John Blank three hundred dollars, value received, and charge to the acct. of James Smith & Co.

To C. D. Thyng, New Hampton, N. H.

Draft — Sight — Bearer.

$20. Boston, July 1, 1881.

At sight, pay to John Blank, or bearer, twenty dollars, value received, and charge to acct. of

A. B. Meservey.

To C. D. Thyng,
New Hampton, N. H.

Check — Sight — Bank.

$200.25. Boston, July 15, 1881.

First National Bank.

Pay to the order of Frank M. Butters

Two hundred dollars 25/100.

No. 15. Charles F. Mattoon.

Order for Merchandise.

$5. Boston, July 1, 1881.

Please deliver to John Blank, or bearer, five dollars' worth of merchandise from your store, and charge the same to the acct. of A. B. Matthews.

To C. D. Tucker.

Receipt in Full of all Demands.

$28 10/100. Boston, July 1, 1881.

Received of David Rush twenty-eight 10/100 dollars in full of all demands to this date.

Walter Smith.

Bill.

Dover, Mass., July 9, 1883.

Mr. G. D. Everett,

To Allen F. Smith, Dr.

To 6 days' work	@	$1.25		7	50
Received Payment, Allen F Smith.					

Bill.

Boston, July 1, 1883.

Mr. James Graham,

To Jones & Farley, Dr.

Apr. 10	5 lbs. butter,	40	2	00		
	1 bbl. flour,		7	50		
27	20 yds. muslin,	10	3	00		
June 2	1 cheese, 27 lbs.,	15	4	05	17	55
	Paid July 5, '83, Jones & Farley.					

Invoice.

Boston, March 26, 1883.

Messs. Jones & Farley,

Bought of Smith & Mason.

5 tubs butter, 504248 5647	243 lbs.,	30c.	72	90	
9 bbls flour,		$9.00	81	00	153	90
3 mos.,					

Statement of Account.

Boston, July 1, 1883.

Mess. Jones & Farley,

In act. with Smith & Mason. Dr.

Mar. 26	Mdse., 2 mos.	162	60		
Apr. 12	" 4 "	157	00		
24	" 4 "	375	00		
May 6	" 2 "	280	00	974	60
	Cr.				
May 24	Cash,	150	00		
24	Mdse., 3 mos.	475	00		
June 20	Cash,	150	00	775	00
	Average due July 20,			199	60
	July 5, settled by note				
	May 17, 2 mos				
	Smith & Mason.				

$199.60 Boston, May 17, 1883.

Two months after date we promise to pay to the order of Smith & Mason One Hundred Ninety-nine dollars 60/100

Value received.

No. 39 Due 7/17/20 Jones & Farley.

[WARRANTY DEED.]

Know all Men by these Presents,

THAT WE, Elijah H. Prescott of New Hampton, County of Belknap and State of New Hampshire; and Amanda A. Prescott, wife of the said Elijah H. Prescott, — for and in consideration of the sum of four thousand and six hundred dollars to us in hand, before the delivery hereof, well and truly paid by A. B. Meservey and Charles D. Thyng, both of New Hampton aforesaid, partners, doing business under the firm of Meservey and Thyng, the receipt whereof we do hereby acknowledge, have given, granted, bargained, and sold, and by these presents do give, grant, bargain, sell, aliene, enfeoff, convey, and confirm unto the said A. B. Meservey and Charles D. Thyng and to their heirs and assigns forever, a certain tract of land situated in New Hampton aforesaid (warranted to contain ninety-six square rods by measure), bounded as follows, to wit, beginning at a stake and stones on the highway, being the north-east corner of land owned by Z. C. Perkins; thence southerly, twelve rods, by land of said Perkins, to land of Augustus Burpee; thence easterly, eight rods, by land of said Burpee, to land of William Dyer; thence northerly, twelve rods, by land of said Dyer, to a stake and stones on the highway; thence westerly, by said highway, to the first-mentioned bound; together with the buildings standing thereon:

TO HAVE AND TO HOLD the said granted premises, with all the privileges and appurtenances to the same belonging, to them the said A. B. Meservey and Charles D. Thyng and their heirs and assigns, to their and their only proper use and benefit forever. And I the said Elijah H. Prescott, and my heirs, executors, and administrators, do hereby covenant, grant, and agree to and with the said A. B. Meservey and Charles D. Thyng, and their heirs and assigns, that, until the delivery hereof, I am the lawful owner of the said premises, and am seized and possessed thereof in my own right in fee simple, and have full power and lawful authority to grant and convey the same in manner aforesaid; that the said premises are free and clear from all and every incumbrance whatsoever; and that I and my heirs, executors, and administrators, shall and will warrant and defend the same to the said A. B. Meservey and Charles D. Thyng and their heirs and assigns, against the lawful claims and demands of any person or persons whomsoever.

And I, Amanda A. Prescott, wife of the said Elijah H. Prescott, in consideration aforesaid, do hereby relinquish my right of dower in the beforementioned premises.

And we and each of us do hereby release, discharge, and waive all such rights of exemption from attachment and levy or sale on execution, and such other rights whatsoever, in said premises and in each and every part thereof, as our family homestead, as are reserved or secured to us or either of us by the Statute of the State of New Hampshire, passed July 4, 1851, entitled, "An Act to exempt the homestead of families from attachment and levy or sale on execution," or by any other statute or statutes of said State.

IN WITNESS WHEREOF, we have hereunto set our hands and seals this eleventh day of July, in the year of our Lord one thousand eight hundred and seventy-seven.

Signed, sealed, and delivered in presence of us: —

WILLIAM DYER.	ELIJAH H. PRESCOTT.	[L.S.]
GEO. A. EMERSON.	AMANDA A. PRESCOTT.	[L.S.]

State of New Hampshire, Belknap, ss.

Personally appearing, the above named Elijah H. Prescott and Amanda A. Prescott acknowledged the foregoing instrument to be their voluntary act and deed, — *Before me.*

Dated the eleventh day of July, 1877.

GEORGE A. EMERSON, *Justice of the Peace.*

[MORTGAGE DEED.]

Know all Men by these Presents,

THAT WE, A. B. Meservey and Charles D. Thyng, both of New Hampton, County of Belknap, and State of New Hampshire; for and in consideration of the sum of two thousand and six hundred dollars to us in hand, before the delivery hereof, well and truly paid by Elijah H. Prescott of said New Hampton, the receipt whereof we do hereby acknowledge, have given, granted, bargained, and sold, and by these presents do give, grant, bargain, sell, aliene, enfeoff, convey, and confirm, unto the said Elijah H. Prescott, his heirs and assigns forever, a certain tract of land situated in New Hampton aforesaid (containing ninety-six square rods, more or less), bounded as follows, to wit, beginning at a stake and stones on the highway, being the north-east corner of land owned by Z. C. Perkins; thence southerly, twelve rods, by land of said Perkins, to land of Augustus Burpee; thence easterly, eight rods, by land of said Burpee, to land of William Dyer; thence northerly, twelve rods, by land of said Dyer, to a stake and stones on the highway; thence westerly, by said highway, to the first-mentioned bound; together with the buildings standing thereon:

TO HAVE AND TO HOLD the said granted premises, with all the privileges and appurtenances to the same belonging, to him, the said Elijah H. Prescott and his heirs and assigns, to his and their only proper use and benefit forever. And we, the said A. B. Meservey and Charles D. Thyng, and our heirs, executors, and administrators, do hereby covenant, grant, and agree to and with the said Elijah H. Prescott and his heirs and assigns, that, until the delivery hereof, we are the lawful owners of the said premises, and are seized and possessed thereof in our own right in fee simple, and have full power and lawful authority to grant and convey the same in manner aforesaid; that the said premises are free and clear from all and every incumbrance whatsoever; and that we and our heirs, executors, and administrators, shall and will warrant and defend the same to the said Elijah H. Prescott and his heirs and assigns, against the lawful claims and demands of any person or persons whomsoever.

And I, Loanna S. Meservey, wife of the said A. B. Meservey, and I, Caro B. Thyng, wife of the said Charles D. Thyng, in consideration aforesaid, do hereby relinquish our respective rights of dower in the before-mentioned premises.

And we and each of us do hereby release, discharge, and waive all such rights of exemption from attachment and levy or sale on execution, and such other rights whatsoever in said premises, and in each and every part thereof, as our family homestead, as are reserved or secured to us, or either of us, by the statute of the State of New Hampshire, passed July 4, 1851, entitled "An Act to exempt the homestead of families from attachment and levy or sale on execution," or by any other statute or statutes of said State.

Nevertheless it is to be considered, and the condition of the foregoing Deed is such, that if the said A. B. Meservey and Charles D. Thyng, or their heirs, executors, and administrators, shall well and truly pay unto the said Elijah Prescott or his heirs and assigns twenty-six hundred dollars, on demand, agreeably to their note of even date for that sum, payable to said Elijah H. Prescott, or order, on demand with interest, then the foregoing Deed is to be void and no effect: otherwise to remain in full force and virtue.

IN WITNESS WHEREOF, we have hereunto set our hands and seals this eleventh day of July, in the year of our Lord one thousand eight hundred and seventy-seven.

Signed, sealed, and delivered in presence of us:—	A. B. MESERVEY.	[L.S.]
	LOANNA S. MESERVEY.	[L.S.]
WILLIAM DYER.	CHARLES D. THYNG.	L.S.
GEO. A. EMERSON.	CARO B. THYNG.	[L.S.]

State of New Hampshire, Belknap, ss.

Personally appearing, the above named A. B. Meservey, L. S. Meservey, C. D. Thyng, and Caro B. Thyng, acknowledged the foregoing instrument to be their voluntary act and deed. — *Before me,*

Dated the eleventh day of July, 1877.

GEORGE A. EMERSON, *Justice of the Peace.*